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Wages in the Electronics Components Industry

By Bill Parks, Research Analyst Senior
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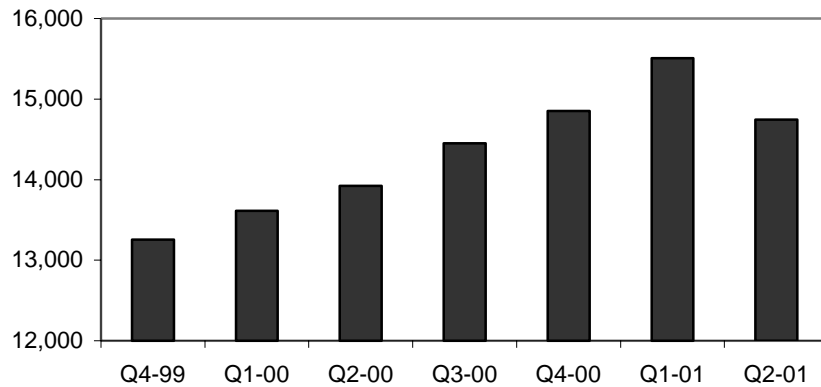
As *Manufacturing*, led by *Electronic & Other Electrical Equipment & Components, except Computer Equipment* industry (SIC 36), continues to gain ground as a leading sector in Idaho's economy, its volatility in recent months becomes of particular interest to Idahoans. The news has reported a large number of layoffs occurring in the high tech industries. Nationwide, *Manufacturing* accounted for 40 percent of all mass layoff events and 50 percent of initial Unemployment Insurance claims filed in 2001 through September. Likewise, this trend was apparent in the Idaho economy, but on a smaller scale.

Idaho's electronic components industry has done rather well in reference to employment decreases. However, wage levels within the electronic components industry have not. In Idaho, this industry is dominated by computer memory chip manufacturing. There are 51 firms in SIC 36, with approximately 14,000 jobs. While employment has seen a steady increase from the fourth quarter 1999 through first quarter 2001 (its first decrease of 5 percent occurred in second quarter 2001) wages have experienced a different trend. A downward trend has persisted from first quarter 2000 through second quarter 2001, with the exception of fourth quarter 2000. The fourth quarter spike can be attributed to year-end bonuses. It's unlikely there will be a similar spike in fourth quarter 2001. As disturbing as this wage trend may be, if Idaho can weather the recession storm, its electronics component industry may be poised for a rapid rebound, thanks in part to its relatively stable employment level. (See Charts 1 through 3 on page 2.)

WHAT THIS HAS MEANT TO THE AVERAGE EMPLOYEE

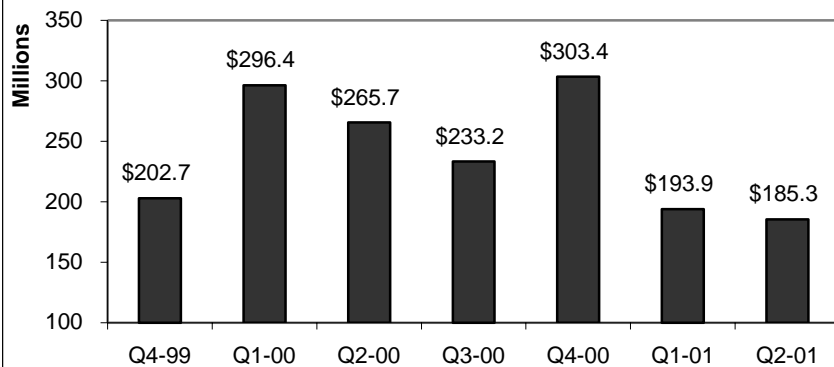
Because many of the leading businesses in the electronics components industry cut back on overtime and did not pay large bonuses, the decrease in wages that has taken place over the last several quarters will remain a reality for many Idahoans working in the electronics components industry. Many of the people who have grown accustomed to higher wages during the technology boom have had to tighten their belts. The actual impact is sobering. From fourth quarter 1999 to first quarter 2000, workers saw a 42 percent increase in wages. Although workers were still receiving bonuses in fourth quarter 2000, the combination of no overtime hours and wage cuts resulted in a 38 percent decrease in wages in first quarter 2001. For the rest of 2001, we can expect to see wages remain stagnant. By weathering the storm of lower wages, employees are helping their employers remain poised for a quick response to an economic rebound.

Chart 1: Average Quarterly Employment in the Electronic Components Industry (SIC 36)*



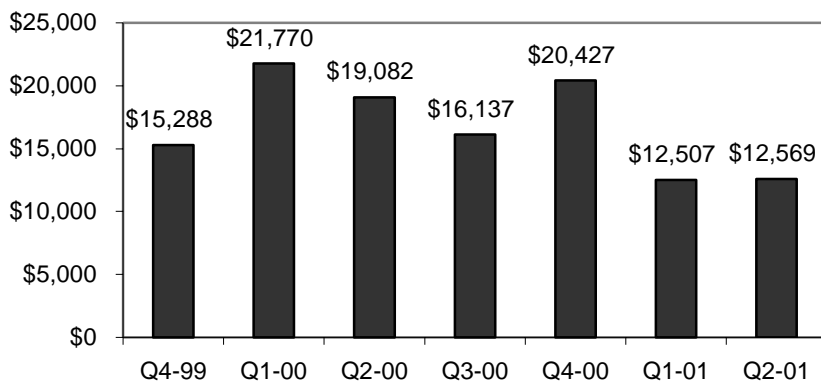
Employment has seen a steady increase from fourth quarter 1999 through first quarter 2001, with it's first decrease of 5 percent occurring in second quarter 2001. Eighty-five percent of the electronic components industry employment is located in Ada and Canyon counties and accounts for 6.5 percent of Idaho's total wages.

Chart 2: Quarterly Wages in the Electronic Components Industry (SIC 36)*



A downward trend in wages has persisted from the first quarter of 2000 to the second quarter of 2001, with the exception of fourth quarter 2000. The fourth quarter spike can be attributed to year-end bonuses.

Chart 3: Average Quarterly Wage Per Employee in the Electronic Components Industry (SIC 36)*



*SOURCE: Idaho Dept. of Labor Quarterly Report of Covered Employment & Wages

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State Overview

LABOR FORCE DEVELOPMENTS

Labor force details for the state, labor market areas, counties, and major cities can be found in State Table 1 on page 4.

Idaho's statewide seasonally adjusted unemployment rate for December 2001 was 5.5 percent, up four-tenths of a percent from the previous month. The December 2001 rate is considerably higher than the December 2000 rate of 4.8 percent. The combined effects of the national recession and the September terrorist attacks continued to be seen in Idaho's unemployment rate.

The mathematical cause for December's unemployment rate increase was the result of the 7.3 percent increase in the number of Idahoans unemployed, while the number employed was unchanged from the previous month. The year-over-year comparison shows that there were 6,000 more people unemployed in December 2001 than in December 2000—an 18.8 percent increase. However, there is good news in the year-over-year comparison in that 18,700 more people were working in December 2001.

The 2001 annual average unemployment rate was 4.9 percent—the same as 2000. The pattern of monthly changes in the number unemployed and employed was similar for both years. There were only three months in 2001 in which the seasonally adjusted unemployment rate was 5.0 percent or more—July at 5.0 percent, November at 5.1 percent, and December at 5.5 percent.

AREA LABOR FORCE HIGHLIGHTS

Labor force statistics are calculated for eight multi-county Labor Market Areas (LMA). The LMAs and their component counties are listed in State Table 1. The eight LMAs include: Boise City Metropolitan Statistical Area (MSA), Pocatello City MSA, Bonneville LMA, Cassia-Minidoka LMA, Idaho-Lewis LMA, Magic Valley LMA, Panhandle LMA, and Seaport LMA.

While the statewide December unemployment rate was 5.5 percent, the unemployment rates for some of the LMAs remained much higher. The Idaho-Lewis LMA once again had the highest unemployment rate at 9.3 percent, seasonally adjusted—almost a full percent higher than November's rate of 8.5 percent. The high unemployment rate is consistent with the economic condition in this two-county area that is heavily dependent upon the forest products industries.

The Panhandle LMA also had a high unemployment rate in December at 9.0 percent, seasonally adjusted. The Panhandle LMA unemployment rate was 8.2 percent in November and 8.4 percent in December 2000.

The five northernmost counties of Idaho comprise this region with Kootenai County dominating the numbers. The Panhandle LMA has the second largest *Civilian Labor Force* in Idaho. This region is heavily dependent upon forest products industries as well as mining. Both of these industries have experienced substantial layoffs during 2001.

The state's largest LMA is the Boise City Metropolitan Statistical Area (MSA). The December seasonally adjusted unemployment rate for the Boise MSA was 4.7 percent, up slightly from 4.5 percent in November. This is an increase of 1.6 percent from the December 2000 rate of 3.1 percent. While the current rate is below the statewide average, the large number of layoffs in the electronics industry since March has had a dramatic impact. Boise MSA's unemployment rate was at its lowest level in January 2001 at 2.8 percent—1.9 percentage points below the current level.

The Bonneville LMA, which includes Bingham, Bonneville, Butte, and Jefferson Counties, had an unemployment rate of 4.0 percent in December, the lowest among the LMAs. This unemployment rate was above November's 3.6 percent level, but was unchanged from one year ago. In December, the Seaport and Magic Valley LMAs had unemployment rates of 4.5 and 4.4 percent, respectively. Both areas experienced unemployment rates higher than in November but lower than in December 2000. The current unemployment in the Seaport LMA was slightly below the December 2000 rate of 4.6 percent; Magic Valley's unemployment rate also was only slightly below the December 2000 rate of 4.5 percent.

COUNTY LABOR FORCE HIGHLIGHTS

Five of Idaho's 44 counties had double-digit, seasonally adjusted unemployment rates in December 2001 compared to four counties in November 2001 and four counties in December 2000. The five counties were: Adams at 14.7 percent, Clearwater at 13.0 percent, Shoshone at 12.1 percent, Benewah at 10.4 percent, and Valley at 10.0 percent. Madison County, with an unemployment rate of 2.2 percent, was the only county that had an unemployment rate below 3.0 percent in December 2001. In November 2001, there were two counties with unemployment rates below 3.0 percent and five in December 2000.

AGRICULTURE

Agricultural employment typically is at its lowest levels in December. Crops have been harvested and the soil is frozen, prohibiting field preparation. December 2001 employment at 28,360 was 11.8 percent lower than that for November 2001, but somewhat above the 27,910 persons employed in December 2000. November-to-

December employment remained unchanged for Christmas tree harvesting, fresh pack operations, livestock tending, and equipment maintenance. The month-over-month decrease was in the hired worker category as most of the seasonal workers were no longer employed.

Idaho farmers received higher prices in December for dry beans, potatoes, all wheat, beef cattle, cows, steers and heifers, and all milk. Prices decreased for alfalfa hay, all barley, feed barley, and malting barley. There was no change in the prices received for calves.

The following recent developments have affected Idaho agriculture and its workers:

- Winter storms have brought optimism that there will be adequate water for irrigation in 2002. Forecasts call for major reservoirs filling to at least average levels. It is too early to forecast how this water availability will affect hydroelectric energy prices.
- Potato production for 2001 was down an estimated 16 percent from the 2000 level, reducing stocks available for processing or distribution. Farmers are expected to receive higher prices than last year. In December, farmers received prices averaging \$5.30 cwt (hundredweight) as compared to \$3.90 cwt in December 2000.
- Anheuser-Busch will double the capacity of its Idaho Falls malting facility. Grupo Modelo, an international beer manufacturer, will construct a new malting facility close to Anheuser-Busch's. Construction on both facilities will begin in 2002; completion is projected to be in 2004 and 2005, respectively. This will add jobs as well as provide expanded markets for Idaho barley growers. Idaho is the second largest barley producer in the United States and the largest in the Western United States.

NONFARM EMPLOYMENT

For the third consecutive month, the current month's Idaho *Nonfarm Payroll Jobs* numbers were less than the previous month. This also occurred in January and July when there were job losses from the prior month. December's nonfarm job count at 570,400 was 0.5 percent less than November's but 0.2 percent more than in December 2000. State Table 2 on page 5 provides employment numbers by industry, along with changes from the previous month and one year ago.

Nonfarm Payroll Jobs for 2001 peaked in September at 577,400. Since that peak, the Idaho economy lost 7,000 nonfarm jobs. The number of jobs in the *Goods-Producing Industries* peaked in August at 119,400, then fell to a low of 111,400 in December—a loss of 8,000 jobs. The *Services-Producing Industries* peaked in November with 459,200 jobs but lost 200 jobs month-over-month in December.

The job loss from November was widespread throughout Idaho's industries with only a few industries adding jobs. *Goods-Producing Industries* lost 2,600 jobs—93 percent of the total monthly job loss. The loss of 200 jobs in *Service-Producing Industries* was negligible. *Construction*

(continued on page 27)

State Table 1: December 2001 Labor Force (preliminary)				
Seasonally Adjusted	Labor Force	Unemp.	% Unemp.	Total Emp.
Seaport LMA	33,840	1,520	4.5	32,320
Nez Perce County	22,630	1,020	4.5	21,610
Asotin County, WA	11,220	510	4.5	10,710
Boise City MSA	251,900	11,830	4.7	240,070
Ada County	181,970	7,640	4.2	174,330
Canyon County	69,940	4,190	6.0	65,750
Pocatello City MSA*	41,280	2,250	5.4	39,030
Bonneville LMA	85,690	3,450	4.0	82,240
Bingham County	23,380	1,150	4.9	22,230
Bonneville County	49,620	1,780	3.6	47,840
Butte County	1,700	70	4.2	1,630
Jefferson County	10,990	440	4.0	10,550
Cassia-Minidoka LMA	20,220	1,230	6.1	18,990
Cassia County	10,060	580	5.8	9,480
Minidoka County	10,160	650	6.4	9,510
Idaho-Lewis LMA	7,740	720	9.3	7,020
Idaho County	6,205	615	9.9	5,590
Lewis County	1,540	105	6.9	1,435
Panhandle LMA	92,020	8,320	9.0	83,700
Benewah County	4,450	465	10.4	3,985
Bonner County	17,690	1,410	8.0	16,280
Boundary County	4,610	430	9.3	4,180
Kootenai County	58,520	5,200	8.9	53,320
Shoshone County	6,750	820	12.1	5,930
Magic Valley LMA	48,660	2,130	4.4	46,530
Gooding County	6,735	225	3.3	6,510
Jerome County	9,105	385	4.2	8,720
Twin Falls County	32,830	1,520	4.6	31,310
Adams County	1,630	240	14.7	1,390
Bear Lake County	2,920	160	5.5	2,760
Blaine County	12,490	450	3.6	12,040
Boise County	2,475	115	4.6	2,360
Camas County	455	20	4.1	435
Caribou County	3,540	215	6.0	3,325
Clark County	815	35	4.2	780
Clearwater County	3,665	475	13.0	3,190
Custer County	2,195	155	7.0	2,040
Elmore County	9,940	570	5.7	9,370
Franklin County	5,180	230	4.4	4,950
Fremont County	5,070	340	6.7	4,730
Gem County	6,580	610	9.2	5,970
Latah County	14,910	580	3.9	14,330
Lemhi County	3,680	280	7.6	3,400
Lincoln County	2,150	100	4.6	2,050
Madison County	11,960	260	2.2	11,700
Oneida County	1,795	80	4.4	1,715
Owyhee County	4,150	175	4.2	3,975
Payette County	10,400	810	7.8	9,590
Power County	3,660	265	7.2	3,395
Teton County	3,930	125	3.2	3,805
Valley County	4,140	415	10.0	3,725
Washington County	4,680	350	7.5	4,330
State of Idaho	692,540	37,990	5.5	654,550
Idaho Cities				
Boise	115,240	4,810	4.2	110,430
Coeur d'Alene	20,620	1,430	6.9	19,190
Idaho Falls	30,680	1,160	3.8	29,520
Lewiston	19,210	740	3.9	18,470
Nampa	21,410	1,400	6.5	20,010
Pocatello	29,610	1,600	5.4	28,010
Twin Falls	17,240	850	4.9	16,390

* Pocatello MSA includes all of Bannock County.

State Table 2: Nonfarm Payroll Jobs

BY PLACE OF WORK	Dec 2001*	Nov 2001	Dec 2000	% Change From	
				Last Month	Last Year
Nonfarm Payroll Jobs**	570,400	573,200	569,400	-0.5	0.2
GOODS-PRODUCING INDUSTRIES	111,400	114,000	114,600	-2.3	-2.8
Mining	1,800	1,900	2,500	-5.3	-28.0
Metal Mining	700	700	1,200	0.0	-41.7
Construction	35,800	37,700	35,600	-5.0	0.6
Manufacturing	73,800	74,400	76,500	-0.8	-3.5
Durable Goods	45,200	45,600	47,500	-0.9	-4.8
Lumber & Wood Products	10,300	10,600	11,400	-2.8	-9.6
Logging	2,300	2,500	2,000	-8.0	15.0
Sawmills & Planing Mills	3,500	3,500	4,400	0.0	-20.5
Wood Buildings & Mobile Homes	900	900	1,100	0.0	-18.2
Other Lumber & Wood Products	3,600	3,700	3,900	-2.7	-7.7
Stone, Clay, Glass & Concrete Products	1,300	1,300	1,500	0.0	-13.3
Fabricated Metal Products, exc. Machinery & Transportation Equip.	3,000	3,000	3,000	0.0	0.0
Industrial & Commercial Machinery & Computer Equipment	9,700	9,600	10,500	1.0	-7.6
Electronic & Other Electrical Equip. & Components, Exc., Computer	15,200	15,200	15,100	0.0	0.7
Transportation Equipment	2,100	2,200	2,200	-4.5	-4.5
Other Durable Goods	3,600	3,700	3,800	-2.7	-5.3
Nondurable Goods	28,600	28,800	29,000	-0.7	-1.4
Food Processing	16,800	17,000	17,000	-1.2	-1.2
Canned, Frozen, & Preserved Fruits, Vegetables & Food Specialties	9,400	9,300	9,300	1.1	1.1
Paper Products	2,200	2,200	2,200	0.0	0.0
Printing, Publishing & Allied Products	5,400	5,400	5,600	0.0	-3.6
Chemicals & Allied Products	2,100	2,100	2,300	0.0	-8.7
Other Nondurable Goods	2,100	2,100	1,900	0.0	10.5
SERVICE-PRODUCING INDUSTRIES	459,000	459,200	454,800	0.0	0.9
Transportation, Communications, & Utilities	29,400	29,500	28,100	-0.3	4.6
Transportation	18,400	18,500	17,500	-0.5	5.1
Railroad	1,400	1,400	1,400	0.0	0.0
Motor Freight Transportation & Warehousing	10,900	11,000	10,200	-0.9	6.9
Communications	6,900	6,900	6,700	0.0	3.0
Electric, Gas, & Sanitary Services	4,100	4,100	3,900	0.0	5.1
Trade	143,100	142,600	147,700	0.4	-3.1
Wholesale Trade	32,100	32,000	33,900	0.3	-5.3
Durable Goods	15,000	15,000	15,900	0.0	-5.7
Nondurable Goods	17,100	17,000	18,000	0.6	-5.0
Retail Trade	111,000	110,600	113,800	0.4	-2.5
Building Materials, Hardware, Garden Supply & Manuf. Home Dealers	6,300	6,300	6,500	0.0	-3.1
General Merchandise Stores	14,500	14,600	15,400	-0.7	-5.8
Food Stores	19,200	19,200	20,200	0.0	-5.0
Automotive Dealers & Gasoline Service Stations	12,400	12,400	12,000	0.0	3.3
Eating & Drinking Places	37,700	37,600	37,800	0.3	-0.3
Finance, Insurance & Real Estate	24,200	24,000	23,800	0.8	1.7
Banking	7,300	7,200	7,300	1.4	0.0
Services	150,200	150,300	145,300	-0.1	3.4
Hotels & Other Lodging Places	7,600	7,400	7,800	2.7	-2.6
Personal Services	4,500	4,400	4,300	2.3	4.7
Business Services	30,800	30,600	30,700	0.7	0.3
Amusement and Recreation Services	6,800	6,500	6,300	4.6	7.9
Health Services	38,600	38,300	36,600	0.8	5.5
Hospitals	13,100	13,000	11,700	0.8	12.0
Engineering, Accounting, Research, Management, & Related Services	18,500	18,900	18,500	-2.1	0.0
Government	112,100	112,800	109,900	-0.6	2.0
Federal Government	12,300	12,700	12,800	-3.1	-3.9
State & Local Government	99,800	100,100	97,100	-0.3	2.8
State Government	29,700	29,900	28,600	-0.7	3.8
Education	15,000	15,000	14,100	0.0	6.4
Administration	14,700	14,900	14,500	-1.3	1.4
Local Government	70,100	70,200	68,500	-0.1	2.3
Education	40,900	41,100	39,600	-0.5	3.3
Administration	29,200	29,100	28,900	0.3	1.0

* Preliminary Estimate

** Estimates include all full or part time wage and salary workers who worked or received pay in the following industry groups during the pay period ending nearest the 12th of the month.

DATA PREPARED IN COOPERATION WITH THE BUREAU OF LABOR STATISTICS

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State Table 3: Economic Indicators

State Table C: Economic Indicators

	Dec 2001	Nov 2001	Dec 2000	% Change From	
				Last Month	Last Year
IDAHO LABOR FORCE ⁽¹⁾					
Seasonally Adjusted					
Civilian Labor Force	691,800	689,200	667,100	0.4	3.7
Unemployment	38,000	35,400	32,000	7.3	18.8
Percent of Labor Force Unemployed	5.5	5.1	4.8		
Total Employment	653,800	653,800	635,100	0.0	2.9
Unadjusted					
Civilian Labor Force	689,500	689,700	664,000	0.0	3.8
Unemployment	39,600	32,800	33,300	20.7	18.9
Percent of Labor Force Unemployed	5.7	4.8	5.0		
Total Employment	649,900	656,900	630,700	-1.1	3.0
U. S. UNEMPLOYMENT RATE ⁽²⁾	5.8	5.7	4.0		
U.S. CONSUMER PRICE INDEX ⁽²⁾					
Urban Wage Earners & Clerical Workers (CPI-W)	172.9	173.7	170.7	-0.5	1.3
All Urban Consumer (CPI-U)	176.7	177.4	174.0	-0.4	1.6
AGRICULTURE					
Agriculture Employment	28,360	32,150	27,910	-11.8	1.6
Operators	9,010	9,010	9,010	0.0	0.0
Unpaid Family	410	670	410	-38.8	0.0
Hired Workers	18,940	22,470	18,490	-15.7	2.4
UNEMPLOYMENT INSURANCE					
Claims Activities					
Initial Claims ⁽³⁾	18,919	16,489	14,140	14.7	33.8
Weeks Claimed ⁽⁴⁾	114,194	70,200	64,072	62.7	78.2
Benefit Payment Activities⁽⁵⁾					
Weeks Compensated	72,978	56,529	51,602	29.1	41.4
Total Benefit \$ Paid	\$16,141,326	\$12,262,507	\$10,635,777	31.6	51.8
Average Weekly Benefit Amount	\$221.18	\$216.92	\$206.11	2.0	7.3
Covered Employers	40,459	40,450	39,089	0.0	3.5
Total Benefit \$ Paid During Last 12 Months ⁽⁴⁾	\$149,629,576	\$144,124,027	\$106,609,871	3.8	40.4

(1) Preliminary Estimate

(2) Source: U.S. Bureau of Labor Statistics

(3) Includes all entitlements/programs on Intrastate and Interstate Agent, New, and Additional Claims

(4) Includes all entitlements/programs, Intrastate and Interstate Agent

(5) Includes all entitlements/programs, Total Liable Activities

(1) Preliminary Estimate

(2) Source: U.S. Bureau of Labor Statistics

(3) Includes all entitlements/programs on Intrastate and Interstate Agent, New, and Additional Claims

(4) Includes all entitlements/programs, Intrastate and Interstate Agent

(5) Includes all entitlements/programs, Total Liable Activities

HOURS AND EARNINGS

	Average Weekly Earnings*			Average Weekly Hours			Average Hourly Earnings		
	Dec 2001	Nov 2001	Dec 2000	Dec 2001	Nov 2001	Dec 2000	Dec 2001	Nov 2001	Dec 2000
Mining	\$636.79	\$680.99	\$602.65	38.9	40.9	39.7	\$16.37	\$16.65	\$15.18
Construction	\$587.26	\$637.56	\$587.02	33.5	38.2	37.2	\$17.53	\$16.69	\$15.78
Total Manufacturing	\$604.50	\$607.87	\$558.09	38.8	38.4	39.0	\$15.58	\$15.83	\$14.31
Lumber & Wood Products	\$577.81	\$564.83	\$507.64	39.2	38.9	36.6	\$14.74	\$14.52	\$13.87
Food & Kindred Products	\$493.54	\$490.46	\$458.63	41.3	40.5	39.3	\$11.95	\$12.11	\$11.67
Communications	\$780.78	\$762.30	\$735.84	38.5	39.6	42.0	\$20.28	\$19.25	\$17.52
Electric, Gas, & Sanitary Services	\$849.85	\$825.75	\$914.60	38.7	38.3	39.8	\$21.96	\$21.56	\$22.98
Trade	\$332.80	\$324.32	\$316.72	30.2	29.7	29.6	\$11.02	\$10.92	\$10.70
Wholesale Trade	\$511.93	\$502.30	\$516.53	35.9	35.7	35.5	\$14.26	\$14.07	\$14.55
Retail Trade	\$285.28	\$276.50	\$263.48	28.7	28.1	28.0	\$9.94	\$9.84	\$9.41

DATA PREPARED IN COOPERATION WITH THE BUREAU OF LABOR STATISTICS

* These average earnings are computed on a gross basis and reflect changes in premium pay for overtime and late shift work as well as changes in basic hourly and incentive wage.



PANHANDLE

BENEWAH, BONNER, BOUNDARY, KOOTENAI, & SHOSHONE COUNTIES

EMPLOYMENT TRENDS

The Panhandle's seasonally adjusted unemployment rate rose sharply from 8.2 percent in November to 9.0 percent in December as the U.S. recession continued to take a toll. Panhandle manufacturers and wholesale businesses continued to cut jobs while retail businesses, which normally add jobs in December, also cut jobs. The December job losses followed two months of exceptionally large losses in most industrial sectors. Initial unemployment insurance claims in the fourth quarter of 2001 rose to 8,057—41.5 percent higher than the 5,695 initial claims in the fourth quarter of 2000.

Despite the recession, several positive developments occurred in recent months as described in the Area Developments below.

AREA DEVELOPMENTS

Bonner County

- Coldwater Creek, the Sandpoint-based catalog company, announced it would permanently lay off 150 workers in the Sandpoint area by the end of March. Coldwater will close its distribution center in Kootenai where it employs 120 workers. In the future, all merchandise will be shipped from Coldwater Creek's distribution center in West Virginia, which opened in 1999. Coldwater also will cut 20 positions at its corporate headquarters and 10 positions from its retail store on Cedar Street Bridge in downtown Sandpoint. After the layoffs, Coldwater will employ 371 people in the Sandpoint area, remaining the area's largest private employer. Coldwater continues to employ more than 300 people at its call center in Coeur d'Alene.
- Cascade Toboggan and Rescue Equipment Co. is moving from Snoqualmie, Washington, to Sandpoint

Panhandle Table 1: Labor Force & Employment

	Dec 2001*	Nov 2001	Dec 2000	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	92,020	90,630	89,700	1.5	2.6
Unemployed	8,320	7,400	7,510	12.4	10.8
% of Labor Force Unemployed	9.0	8.2	8.4		
Total Employment	83,700	83,230	82,190	0.6	1.8
Unadjusted					
Civilian Labor Force	92,420	90,920	89,970	1.6	2.7
Unemployed	9,050	6,810	8,110	32.9	11.6
% of Labor Force Unemployed	9.8	7.5	9.0		
Total Employment	83,370	84,110	81,860	-0.9	1.8
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	66,600	67,130	66,790	-0.8	-0.3
Goods-Producing Industries	13,450	13,740	14,490	-2.1	-7.2
Mining	570	600	1,010	-5.0	-43.6
Construction	4,540	4,650	4,750	-2.4	-4.4
Manufacturing	8,340	8,490	8,730	-1.8	-4.5
Lumber & Wood Products	4,090	4,180	4,080	-2.2	0.2
All Other Manufacturing	4,250	4,310	4,650	-1.4	-8.6
Service-Producing Industries	53,150	53,390	52,300	-0.4	1.6
Transportation	1,510	1,510	1,500	0.0	0.7
Communication & Utilities	1,060	1,060	1,090	0.0	-2.8
Wholesale Trade	2,100	2,140	2,290	-1.9	-8.3
Retail Trade	14,630	14,930	15,160	-2.0	-3.5
Finance, Insurance & Real Estate	2,660	2,690	2,450	-1.1	8.6
Service & Miscellaneous	16,820	16,500	15,750	1.9	6.8
Government Administration	8,850	9,010	8,550	-1.8	3.5
Government Education	5,520	5,550	5,510	-0.5	0.2

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

in March. Forty-year-old Cascade, which makes rescue toboggans used by ski patrols to haul injured people, will bring four to six new jobs to its new location at 1808 Industrial Way. Cascade expects to employ up to 15 employees in about three years. It's the first successful recruitment of a business by Bonner County Economic Development Corp. (BCEDC), created in 2000. BCEDC targets outdoor equipment makers using the Sandpoint area's spectacular scenery, attractive lifestyle, and available workforce as draws.

- Bonner County's other major economic development organization, the Priest River Development Corporation (PRDC), recently was awarded stewardship of the Lakeface Lamb Creek project by the U.S. Forest Service. The seven-year project includes harvesting timber, removing weeds, replacing stream culverts, maintaining some roads, removing other roads, installing interpretative signs, and thinning and pruning trees to maintain the beauty of and reduce fire danger on the 7,200-acre area on the west side of Priest Lake. The PRDC's stewardship should make the area safer for continued residential and commercial

development. Currently the area is home to up to 300 year-around residents and 1,300 seasonal residents. The PRDC says the project will create \$1.75 million in products and jobs.

- Among Sandpoint's newest businesses are: Windermere Real Estate's new office in the White Pine Lodge at Schweitzer; Idaho Veterinary Service, opened by veterinarian Marilyn Moyle at 109 Shingle Mill Road; and Couch Potato Upholstery, offering residential, commercial, and marine upholstery at 1424-A North Boyer.

Kootenai County

- Wal-Mart opened its 184,400-square-foot supercenter in Post Falls in January. The 24-hour discount and grocery store employs 340 people. The supercenter also includes a Radio Grill restaurant, TCBY yogurt outlet, pharmacy, vision center, portrait studio, one-hour photo processing, hair salon, tire and lube center, and pretzel maker. Next to Wal-Mart, at 2956 Mullan Avenue, Tesoro Petroleum opened a Mirastar gas station.
- Wal-Mart's plan for a Coeur d'Alene 220,000-square-foot supercenter currently is on hold. Wal-Mart originally announced it would start construction in the summer of 2001. Now, it is waiting for the results of a traffic study on U.S. Highway 95, which may affect customer access to the store slated to be located at the intersection of Highway 95 and Aqua Avenue.
- A \$1 million strip mall soon will be under construction near the Post Falls Wal-Mart. The 21,600-square-foot retail center at 740 North Cecil Road should be completed in June.
- Center Partners began 2002 with the opening of its new 28,700-square-foot call center at Riverbend Commerce Park in Post Falls. The new call center employs 280 people. Another 800 people work at Center Partner's call center on Ironwood Drive in Coeur d'Alene. Center Partners expects to hire another 80 people at Post Falls in the near future.
- Oxyfresh Worldwide, a multi-level marketing company, relocated its corporate headquarters from Spokane to Riverstone Business Park in Coeur d'Alene. The 17-year-old company sells vitamins, toothpaste, shampoo, and personal care items. Its corporate headquarters employs about 50 people. Oxyfresh, which was recruited by Kootenai County's Jobs Plus, expects to hire 10 more people by July.
- Walgreens plans to open a retail pharmacy store in a 14,000-square-foot building to be built at North Idaho's busiest intersection, the corner of Appleway and U.S. Highway 95 in Coeur d'Alene. When construction is completed in late summer, Walgreens will hire 150 people.

- Uni Key Health will move from Bozeman, Montana, to Hayden Lake in April. Uni Key sells nutritional supplements and other natural health products via the Internet, direct mail, and phone calling. When Uni Key moves into a 4,000-square-foot building currently under construction at 181 West Commerce in Hayden, it will hire nine people.
- Rathdrum's newest business is Curves for Women, a fitness and weight loss center at 662 Commercial Park Avenue.
- Hayden recently welcomed these new businesses: The Red Lizard Gifts Etc., a gift store featuring antiques, candles, jewelry, toys, and cards at 228 Miles Avenue; Monster Hobbies, a hobby shop selling radio-controlled airplanes, boats, cars, and plastic models, at 9551 Highway 95; and Red Oak Clothing, a 10,000-square-foot store selling outdoor clothing on Hayden Avenue.
- New businesses in Post Falls include Easyriders Road House, a motorcycle dealership at 1640 East Schneidmiller; Career Search International, an executive recruitment office at 1810 Schneidmiller; and Time for Tots, a child care center at 2544 East Ferry Landing.
- Coeur d'Alene recently welcomed these new businesses: Twelve Ten Tavern, a bar at 1206 Sherman Avenue; Hollywood Shades, selling sunglasses, jewelry, watches, and Hollywood memorabilia at 211 Sherman Avenue; Blondie's on the Boulevard, a deli at 1527 Northwest Boulevard; Country Fair Market, selling meat, cheese, and ready-to-eat meals, at 6055 Government Way; a Flaming Wok fast food outlet serving Chinese food at the Silver Lake Mall; Coeur d'Alene Coffee & Gifts in the Sherman Mall at 412 Sherman Avenue; Signs R Us, making signs, banners, and logos at 2924 North Government Way; and Big Dad e-Café, a cybercafé at 213 Sherman Avenue.

Shoshone County

- In January, the Lucky Friday Mine near Mullan recalled 20 of the 140 workers it laid off in November. The Lucky Friday now has a total staff of 62.
- This winter, James Castro opened Sled Dog Adventures, offering dog sled rides near the base of Lookout Pass Ski Area close to the Idaho-Montana border.
- The Wallace Super-Stop, a gas and convenience store just off the freeway in Wallace, recently reopened after being closed for more than a year.

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SEAPORT

NORTH CENTRAL IDAHO: CLEARWATER, IDAHO, LATAH, LEWIS, & NEZ PERCE COUNTIES

LABOR FORCE & EMPLOYMENT

Seaport's seasonally adjusted unemployment rate increased in December to 4.5 percent from November's rate of 3.7 percent, as shown in Seaport Table 1. In December 2000, the rate was 4.6 percent. The December decrease in total employment was unusual. December is traditionally a strong employment month. One of the reasons for the decrease was that holiday hiring lagged behind last year. Starting in October, area retail managers predicted a slow holiday season. Overall, they were right. Stores reported holiday sales were down from last year.

In December, Seaport's *Nonfarm Payroll Jobs* decreased by 190 jobs from November 2001, and decreased 660 from December 2000. Nearly all sectors contributed to the decreases. Layoffs in key *Manufacturing* sectors started job decreases that rippled through the economy. The economic concern is that because nearly all industries posted decreases, there was little economic growth to help soften the layoffs. The only positives in December were slight increases in *Finance, Insurance, & Real Estate* and *Government Administration* jobs. The increase in *Government Administration*, which has recorded decreases throughout the year, increased in only one sector—Tribal employment.

SPECIAL TOPIC

Barge Traffic Halted

For three months beginning January 28, all barge traffic to and from the Lewiston-Clarkston Valley is suspended so the U.S. Army Corps of Engineers can repair the locks at Lower Granite Dam. The closure is the longest since Lower Granite opened in 1975 and only the third extended one. The dam was the eighth one built along the Columbia and Snake Rivers and made it possible for large vessels to navigate the 465 miles between the coast and the western edge of Idaho. The impact will be felt in many key areas of the regional economy. Normally barges ship everything from wheat to paper products. Wheat shipments may come to a standstill during the closure but other goods, including peas and lentils, will likely go by truck to the Port of Pasco and then be transferred to barges. However, shippers will

Seaport Table 1: Labor Force & Employment
Nez Perce County, Idaho, and Asotin County, Washington

	Dec 2001*	Nov 2001	Dec 2000	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	33,840	33,900	34,460	-0.2	-1.8
Unemployment	1,520	1,250	1,570	21.6	-3.2
% of Labor Force Unemployed	4.5	3.7	4.6	0.8	0.1
Total Employment	32,320	32,650	32,890	-1.0	-1.7
Unadjusted					
Civilian Labor Force	33,920	33,780	34,700	0.4	-2.2
Unemployment	1,550	1,180	1,670	31.4	-7.2
% of Labor Force Unemployed	4.6	3.5	4.8	1.1	0.2
Total Employment	32,370	32,600	33,030	-0.7	-2.0
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	25,410	25,600	26,070	-0.7	-2.5
Goods-Producing Industries	5,010	5,110	5,030	-2.0	-0.4
Mining & Construction	1,260	1,320	1,180	-4.5	6.8
Manufacturing	3,750	3,790	3,850	-1.1	-2.6
Food Processing	70	80	130	-12.5	-46.2
Lumber & Wood Products	690	710	740	-2.8	-6.8
Paper Products	1,700	1,700	1,680	0.0	1.2
All Other Manufacturing	1,290	1,300	1,300	-0.8	-0.8
Service-Producing Industries	20,400	20,490	21,040	-0.4	-3.0
Transportation	1,360	1,350	1,380	0.7	-1.4
Communications & Utilities	270	280	300	-3.6	-10.0
Wholesale Trade	940	940	960	0.0	-2.1
Retail Trade	4,870	4,890	5,310	-0.4	-8.3
Finance, Insurance, & Real Estate	1,390	1,380	1,410	0.7	-1.4
Services	6,390	6,480	6,660	-1.4	-4.1
Government Administration	2,700	2,670	2,420	1.1	11.6
Government Education	2,480	2,500	2,600	-0.8	-4.6

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

likely pay more. Potlatch Corporation, for example, expects to send the equivalent of 350 to 400 barge containers of pulp or paperboard by truck to Pasco each month. Typically Potlatch barges 40 percent of the pulp and paperboard it produces at Lewiston to overseas markets, most of which are in the Far East in countries such as China, Japan, and Korea. The Port of Lewiston expects to lose \$180,000 of the \$1 million in revenue it would normally anticipate from shipping containers in a year. About half of the 11 employees at the container yard will be laid off and the others may be hired temporarily at the port in Pasco. Passengers from Queen of the West, the largest cruise ship docking in the Lewiston-Clarkston Valley, will continue to visit the area for a tour of Hells Canyon, but they'll be making the last leg of the journey by bus. According to American West Steamboat Company spokesperson Joel Perry, "That's the highlight of the trip, so we're doing everything we can to accommodate that." The Corps timed the work carefully to create the fewest conflicts with shipping and fish migration. Historically the lowest volume of shipping has been during the months Lower Granite will be closed. From about April to October salmon and steelhead fish migrate to the ocean and back to their natal streams to breed. Lower Granite is set to re-open on April 29.

Seaport Table 2: Projected Employment Opportunities

Occupational Title	Wage Hour Average	Education or Training Level*
Accountants and auditors	\$17.52	Bachelor's degree
Adjustment clerks	\$9.86	Short-term on-the-job training
Automotive mechanics and service technicians	\$12.49	Postsecondary vocational training
Bank tellers	\$7.96	Short-term on-the-job training
Bartenders	\$6.19	Short-term on-the-job training
Bill and account collectors	\$8.89	Short-term on-the-job training
Bookkeeping, accounting, and auditing clerks	\$9.98	Moderate-term on-the-job training
Bus drivers, school	\$8.49	Short-term on-the-job training
Cashiers	\$7.14	Short-term on-the-job training
Child care workers	\$6.49	Short-term on-the-job training
Computer engineers	\$25.20	Bachelor's degree
Computer support specialists	\$15.52	Associate degree
Construction managers	\$24.24	Bachelor's degree
Cooks, institution or cafeteria	\$7.58	Long-term on-the-job training
Cooks, restaurant	\$7.33	Long-term on-the-job training
Counter clerks	\$7.15	Short-term on-the-job training
Dental assistants	\$10.21	Moderate-term on-the-job training
Electrical and electronic technicians and technologists	\$15.97	Associate degree
Electrical and electronics engineers	\$28.10	Bachelor's degree
Electricians	\$16.97	Long-term on-the-job training
Financial managers	\$24.71	Work experience plus degree
Guards	\$9.39	Short-term on-the-job training
Hand packers and packagers	\$6.87	Short-term on-the-job training
Heating, air conditioning, and refrigeration mechanics and installers	\$14.17	Long-term on-the-job training
Insurance claims clerks	\$10.95	Moderate-term on-the-job training
Laborers, landscaping and groundskeeping	\$8.33	Short-term on-the-job training
Maintenance repairers, general utility	\$11.20	Long-term on-the-job training
Nursing aides, orderlies, and attendants	\$7.63	Short-term on-the-job training
Office clerks, general	\$9.11	Short-term on-the-job training
Painters and paperhangers	\$10.09	Moderate-term on-the-job training
Plumbers, pipefitters, and steamfitters	\$16.67	Long-term on-the-job training
Police patrol officers	\$14.13	Long-term on-the-job training
Receptionists and information clerks	\$8.80	Short-term on-the-job training
Registered nurses	\$18.89	Associate degree
Retail salespersons	\$9.68	Short-term on-the-job training
Roofers	\$11.98	Moderate-term on-the-job training
Secretaries, except legal and medical	\$10.03	Moderate-term on-the-job training
Shipping, receiving, and traffic clerks	\$10.86	Short-term on-the-job training
Systems analysts	\$23.37	Bachelor's degree
Teachers, elementary school	\$18.86	Bachelor's degree
Teachers, secondary school	\$19.33	Bachelor's degree
Waiters and waitresses	\$5.68	Short-term on-the-job training
Welders and cutters	\$11.97	Long-term on-the-job training

* 4=Work experience plus degree; 5=Bachelor's Degree; 6=Associate degree; 7=Postsecondary vocational training; 9=Long-term on-the-job training; 10=Moderate-term on-the-job training; 11=Short-term on-the-job training.

PROJECTED EMPLOYMENT OPPORTUNITIES

As the Idaho Department of Labor talks with businesses and examines its databases, certain jobs have been determined to be employment opportunities in the future. The definition of "opportunity" includes those occupations that are the fastest growing, those occupations with high employment, and those jobs in high demand. Further, these "opportunity" occupations are those occupations that qualified applicants should have success in obtaining as identified through Job Service job orders. They are also jobs for which businesses are unable to find qualified applicants and new jobs emerging from new business in the region. As shown in Seaport Table 2 on page 10, projected employment opportunities are listed alphabetically and are not ranked in order. An evaluation of a broader list of 538 occupations can be found at the Idaho Department of Labor home page: <http://www.labor.state.id.us/lmi/wage-survey/lopmenu.htm>.

AREA DEVELOPMENTS

Clearwater County

Nearly \$2 million in federal and state grants have been acquired to develop a light manufacturing industrial site in Orofino. The grants will cover the development and land costs/construction of a 30,000-square-foot building. An expanding local company, Architectural Sign and Engraving, will be the anchor for the new building and needs about half of the space. The other half of the building will provide space to encourage local business to expand or outside companies to move to the county. Already companies have inquired and are being considered. A & R Construction of Lewiston will do the first phase of work on the industrial site. Work will begin at the end of January or early February. It is anticipated that bids will go out for Phase II work around April.

Idaho and Lewis Counties

A California aircraft engine business has been looking at several locations in Idaho, Clearwater, and Lewis Counties to relocate and will be making a final decision soon. Day-Air out of Stockton employs approximately 20 mechanics and support personnel in overhauling Pratt & Whitney aircraft engines. The business, which averages around \$1 million in sales annually, focuses on air attack aircraft such as the DC 4 and 6 models and the CL 215. These are the types of craft that have operated out of the Grangeville Air Center for firefighting missions. The expense of operating in California, along with that region's crowded growth and the desire to "escape the rat race," were among the factors for relocating. Due to their specialty work with 60-year-old technology, Day-Air trains its own mechanics and plans to hire locally for most of their jobs. The company is considering Grangeville, Orofino, and Kamiah.

Latah County

Renovation of the University Classroom Center at the University of Idaho (UI) was one of eight college or univer-

(continued on page 27)



TREASURE VALLEY

ADA, ADAMS, BOISE, CANYON, ELMORE, GEM, OWYHEE, PAYETTE, VALLEY, & WASHINGTON COUNTIES

EMPLOYMENT TRENDS

The seasonally adjusted unemployment rate for the Boise City Metropolitan Statistical Area (MSA), which includes Ada and Canyon Counties, was 4.7 percent for December 2001, as shown in Treasure Valley Table 1. This rate was up two-tenths of a percentage point from the November 2001 rate of 4.5 percent, and up one and six-tenths of a percentage point from the December 2000 rate of 3.1 percent. The number of individuals employed increased from November to December by 900 individuals, while an increase of 400 occurred in the number of unemployed individuals, from 11,400 in November to 11,800 in December. There was a net increase in the *Civilian Labor Force* of 1,300 individuals from November to December 2001, and an increase of 10,700 individuals from one year ago. Treasure Valley Table 2 shows the December 2001 labor force figures for all counties in Southwest Idaho.

**Treasure Valley Table 2: December 2001
Seasonally Adjusted Labor Force Figures for
Southwest Idaho Counties**

	Civilian Labor Force	Number Unem- ployed	Percent Unem- ployed	Number Employed
Ada	181,970	7,640	4.2	174,330
Adams	1,630	240	14.7	1,390
Boise	2,475	115	4.6	2,360
Canyon	69,940	4,190	6.0	65,750
Elmore	9,940	570	5.7	9,370
Gem	6,580	610	9.2	5,970
Owyhee	4,150	176	4.2	3,973
Payette	10,400	810	7.8	9,590
Valley	4,140	415	10.0	3,725
Washington	4,676	351	7.5	4,325
Statewide	692,535	37,990	5.5	654,545

The number of *Nonfarm Payroll Jobs* remained stable at 232,500 between November and December 2001 and showed an increase of 3,000 jobs since December 2000. Job losses in *Construction & Mining* (700) and *Other Lumber & Wood Products Manufacturing* (100) outpaced job gains in *Other Durable Goods Manufacturing* (100) to create a net decrease of 700 jobs

**Treasure Valley Table 1: Boise MSA Labor Force & Employment
Ada and Canyon counties**

	Dec 2001*	Nov 2001	Dec 2000	% Change Last Month	% Change Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	251,900	250,600	241,200	0.5	4.4
Unemployment	11,800	11,400	7,500	3.5	57.3
% of Labor Force Unemployed	4.7	4.5	3.1		
Total Employment	240,100	239,200	233,700	0.4	2.7
Unadjusted					
Civilian Labor Force	252,500	252,700	241,600	-0.1	4.5
Unemployment	12,100	10,900	7,600	11.0	59.2
% of Labor Force Unemployed	4.8	4.3	3.1		
Total Employment	240,400	241,800	234,000	-0.6	2.7
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	232,500	232,500	229,500	0.0	1.3
GOODS-PRODUCING INDUSTRIES	52,900	53,600	53,800	-1.3	-1.7
Mining & Construction	17,300	18,000	16,300	-3.9	6.1
Manufacturing	35,600	35,600	37,500	0.0	-5.1
Durable Goods	27,100	27,100	28,900	0.0	-6.2
Lumber & Wood Products	3,100	3,200	3,200	-3.1	-3.1
Wood Buildings & Mobile Homes	800	800	800	0.0	0.0
Other Lumber & Wood Products	2,300	2,400	2,400	-4.2	-4.2
Fabricated Metal Products	1,100	1,100	1,200	0.0	-8.3
Ind. & Comm. Mach. & Computer Equip.	6,400	6,400	8,300	0.0	-22.9
Electronic & Other Elect. Equip. & Comp.	13,000	13,000	12,600	0.0	3.2
Transportation Equipment	1,700	1,700	1,700	0.0	0.0
Other Durable Goods	1,800	1,700	1,900	5.9	-5.3
Nondurable Goods	8,500	8,500	8,600	0.0	-1.2
Food Products	5,600	5,600	5,700	0.0	-1.8
Canned Cured & Frozen Foods	1,700	1,700	1,700	0.0	0.0
Printing, Pub & Allied Products	2,000	2,000	2,000	0.0	0.0
Other Nondurable Goods	900	900	900	0.0	0.0
SERVICE-PRODUCING INDUSTRIES	179,600	178,900	175,700	0.4	2.2
Trans, Comm, & Public Util	12,100	12,200	12,400	-0.8	-2.4
Transportation	6,600	6,700	6,900	-1.5	-4.3
Comm & Elec, Gas & Sanitary Services	5,500	5,500	5,500	0.0	0.0
Trade	58,500	57,900	58,200	1.0	0.5
Wholesale Trade	13,400	13,300	13,800	0.8	-2.9
Durable Goods	8,100	8,100	8,400	0.0	-3.6
Nondurable Goods	5,300	5,200	5,400	1.9	-1.9
Retail Trade	45,100	44,600	44,400	1.1	1.6
General Merchandise Stores	6,800	6,700	6,300	1.5	7.9
Foods Stores	7,200	7,100	7,900	1.4	-8.9
Eating & Drinking Places	15,600	15,500	14,900	0.6	4.7
Other Retail Trade	15,500	15,300	15,300	1.3	1.3
Finance, Insurance, & Real Estate	11,200	11,100	11,200	0.9	0.0
Services	61,700	61,700	59,100	0.0	4.4
Business Services	14,900	14,700	14,900	1.4	0.0
Health Services	19,000	19,000	16,800	0.0	13.1
Hospitals	9,300	9,200	7,700	1.1	20.8
Eng., Acct., Res., Mngmt., & Related	4,700	4,600	4,600	2.2	2.2
Other Services	23,100	23,400	22,800	-1.3	1.3
Government	36,100	36,000	34,800	0.3	3.7
Federal Government	5,300	5,200	5,100	1.9	3.9
State Government	13,200	13,300	13,000	-0.8	1.5
Education	4,700	4,700	4,700	0.0	0.0
Administration	8,500	8,600	8,300	-1.2	2.4
Local Government	17,600	17,500	16,700	0.6	5.4
Education	11,700	11,600	11,100	0.9	5.4
Administration	5,900	5,900	5,600	0.0	5.4

* Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

month-over-month in *Goods-Producing Industries*. Year-over-year, *Goods-Producing Industries* lost 900 jobs with *Other Lumber & Wood Products Manufacturing* (100), *Fabricated Metal Products Manufacturing* (100), *Industrial & Commercial Machinery & Computer Equipment Manufacturing* (1,900), *Other Durable Goods Manufacturing* (100), *Food & Kindred Products* (100) outpacing job gains in *Construction & Mining* (1,000) and *Electronic & Other Electrical Equipment & Components Manufacturing* (400). The large decrease in the number of jobs in *Industrial & Commercial Machinery & Computer Equipment Manufacturing* is consistent with the number of layoffs that have occurred in that industry since January 2001.

Service-Producing Industries gained 700 jobs between November and December 2001. Job increases in *Nondurable Goods Trade* (100), *General Merchandise Stores* (100), *Food Stores* (100), *Eating & Drinking Places* (100), *Other Retail Trade* (200), *Business Services* (200), *Hospitals* (100), *Engineering, Accounting, Research, Management, & Related* (100), *Federal Government* (100), and *Local Government Education* (100) outpaced job losses in *Transportation* (100), *Other Services* (300), and *State Government Administration* (100) to create the net increase in the number of jobs in the Boise City MSA month-over-month. Year-over-year, there was an increase of 3,900 jobs in *Service-Producing Industries*, with *Transportation*, *Durable Goods Trade*, *Nondurable Goods Trade*, and *Food Stores*, the only industries to experience job losses. The most notable job gains over the year took place in *Eating and Drinking Places* (700), *Health Services* (2,200) primarily *Hospitals* (1,600), and *Local Government Education* (600).

SPECIAL TOPIC

Idaho Community Foundation Grants for Southwest Idaho

The Idaho Community Foundation awarded a number of grants totaling \$412,000 to various groups in Southwestern Idaho in January. The groups in southwestern Idaho counties that were awarded some of the grant monies are as follows: Ada County and Elmore County Meals-on Wheels Program, Ada Sheriff's Youth Foundation, Agency for New Americans, Assistance League of Boise, Ballet Idaho, Boise Art Museum, Boise Contemporary Theater, Boise Elementary Spanish, Boise Fire Department, Boise Philharmonic, Bown House Heritage Education Program, Community House, Community Intercultural Center, Discovery Center of Idaho, Dress for Success, Family Advocate Program, Fort Boise Mid High School, Hawthorne Elementary, Idaho Black History Museum, Idaho Children's Arts Network, Idaho Dance Theatre, Youth Programs, Idaho Human Rights Education Center, Idaho Humane Society, Idaho Mountain Search and Rescue Unit, Idaho Museum of Mining and Geology, Idaho Shakespeare Festival, Idaho Theater for Youth, Jackson Elementary School, K.I.D.S. Services, Learning Lab, Lee David Pesky Center for Learning En-

richment, Mladi Behar-The Bosnian and Herzegovina Cultural Center of Idaho, Neighborhood Housing Services, Opera Idaho, Planned Parenthood of Idaho, Senior Programs of Boise City/Ada County, Silver Sage Girl Scout Council, St. Joseph's School, Star Joint Fire Protection District, State of Idaho Commission for the Blind and Visually Impaired, The Junior League of Boise, United Cerebral Palsy of Idaho, Women's and Children's Alliance, Meadows Valley Public Library, Basin School District #72, Boise County Community Justice Department, Crouch Volunteer Ambulance Service, Horseshoe Bend Area Chamber of Commerce, Idaho City Historical Foundation, Boy Scouts of America (Ore-Ida Council), The Boys and Girls Club of Nampa, Caldwell Senior High School, Canyon County Domestic Violence Task Force, COSSA Pre-School, Jefferson Junior High School, Middleton Public Library, Middleton Rural Fire District, Music Theatre of Idaho, Nampa Shelter Foundation, Northwest Children's Home, Notus Fire Department, Region III Mental Health, Sacajawea Elementary School, St. Clare's Food Pantry at St. Vincent De Paul, Syringa Middle School, The Hispanic Cultural Center of Idaho, The Salvation Army, Third District Youth Court, Van Buren Elementary School, Warhawk Air Museum, Western Idaho Training Company (WITCO), Glenns Ferry Public Library, Mountain Home Fire Department, Mountain Home Youth Center, South Fork River Association, Pine and Featherville Senior Citizens' Center, Citizens Organization for Revitalization of Emmett (CORE), Emmett High School, Emmett Public Library, Emmett Public School Foundation, Friends of Blazer/Railroad Park, Gem County Ambulance, Gem County Fair Board, Gem County Optimist Club, Gem County Recreation District, Idaho Organic Alliance, Ola District Library, Ola Elementary, Ola Ladies Club, Project Starfish, Sunshine Activity Center, Veterans of the Foreign Wars of the United States-Post 4900, Walter Knox Memorial Hospital, Bruneau American Legion Post #83, Marsing School District #363, Owyhee County Juvenile Probation, Friends of the Payette River Greenway, Idaho Theatre Company, Intermountain Regional Learning Center, McCall Memorial Hospital Foundation, McCall Recreation Department, SISCRA Campground, Snowdon Wildlife Sanctuary, Cambridge Community Clinic, Midvale Community Library, ROSE Advocates, and Weiser School District #431.

AREA DEVELOPMENTS

Boise City MSA

- MCMS in Nampa laid off another 120 people in January in response to the transition to Plexus Corp., the new owners. Over the past year, troubles in the high-tech manufacturing sector forced MCMS to lay off nearly 1,000 workers. MCMS still has 460 workers at the Nampa facility. MCMS and Plexus did not comment on the layoffs.

- In December, MicronPC moved approximately 300 workers from Meridian to the company headquarters in Nampa, now almost everyone working for the company works at the Nampa facility. The move helped MicronPC reduce redundancies and focus on improving efficiencies and cost savings. By moving everyone under the same roof, MicronPC plans to save about \$500,000 over the year; this was essential for the company to remain profitable. In January, the company announced its second profitable quarter in nearly two years. The company also laid off an undisclosed number of workers as a continuing effort to right-size the organization.
- In mid-January, Micron Technology filed a document with the SEC to purchase Toshiba's memory chip plant in Virginia for \$250 million and 1.5 million shares of Micron stock. Most analysts consider the transaction a "good deal" for Micron. The sale, if allowed, would give Micron a 600,000-square-foot fabrication plant. If approved, the sale would conclude in summer 2002.
- Crucial Technology, a wholly-owned subsidiary of Micron Technology located in Meridian, announced that it has partnered with 478 Best Buy electronics stores nationwide to put Crucial's products on its shelves. The company offers more than 87,000 upgrades for more than 15,000 types of electronic devices; Best Buy will stock five types of Crucial's most versatile memory upgrades for the most popular computers. The partnership provides Crucial with an additional channel to market to an even broader base of customers. The company's main marketing channel remains through its Crucial Technology Internet site.
- Washington Group International (WGI) was approved for bankruptcy reorganization in late January. Terms of the bankruptcy include a new board of directors of WGI. Three people on the current board will remain on the new board. Of the eight new directors that will be selected, six will be chosen by the company's secured lenders and two will be chosen by the company's unsecured creditors.
- Boise recently established a cultural district that is designed to promote the arts and stimulate economic development in the city. A brochure has been printed that shows areas of "culture" and destinations of at least 20 public art pieces. By summer, a kiosk mapping these locations will be available at the visitors' center near the Boise Centre on the Grove; another kiosk is planned for the corner of Eighth and Idaho Streets. The project was coordinated by the Boise City Arts Commission and was created through a joint effort by the Arts Commission, Capitol City Development Corp, the Downtown Business Association, and the City of Boise.
- Best Buy announced plans to open a facility in Boise in Summer 2002. Best Buy sells consumer electronics, personal computers, entertainment software, and appliances. The store will be located in the space formerly occupied by HomeBase on Franklin Road in Boise. This will be the first Best Buy store in Boise.
- Robert Comstock opened a design studio and store at 405 South Eighth Street, Suite 332, in Boise in late January. The store offers high-end men's sportswear, including shirts, sweaters, jackets, coats, and pants. Although Comstock is known for his leather designs, he also uses cashmere, merino wool, alpaca, denim, angora blends, and other materials. The store is open from 11 a.m. until 6 p.m., Monday through Friday.
- The Ada County Courthouse held its grand opening in January. The \$62.6 million, five-story, 340,000-square-foot courthouse opened on Front Street in Boise and is part of a 14-acre public/private use area that will be developed into additional housing and retail space. The grand opening celebration included a tour of the building, which features state-of-the-art technology and public art inside. A \$12 million parking garage is adjacent to the building.
- The Eagle River complex retail center, a 150,000-square-foot complex, will open at the corner of Eagle Road and Idaho 44. The mixed-use complex will include two medical buildings, a bank branch, and a municipal park. St. Alphonsus Regional Medical Center and Washington Trust Bank have already made commitments to occupy areas in the complex.
- Mercy Medical Center started its expansion project in January. The project will expand the pharmacy, expand patient registration areas, and add three emergency examination rooms. Construction should be completed by July 2002. The expansion project is a result of Nampa's population growth.
- Lanny Berg Nissan moved from Caldwell to Nampa and will occupy the former Edmark Chevrolet dealership on the corner of Caldwell Boulevard and Orchard Avenue. The business is moving because there are no expansion opportunities at the current location. The new dealership opened in February, and a grand-opening celebration is scheduled for April 15, 2002.
- The Bruce Mitchell Science and Technology Center opened in Parma in January. The \$1.3 million center will be shared by middle and high schools in the area, and includes biology labs, computer stations, a hardware lab to teach computer assembly, and a lab to analyze DNA samples. The center features digital "smart-boards," which are high-tech blackboards that display text, graphics, video, and traditional handwriting.

- Other economic developments occurring in the Boise City MSA include the opening of Farm & City Supply, Inc. in Nampa; Hostel Boise in Nampa and Blackburn & Jones LLP. Albertson's announced the remodeling of the State Street and Gary Lane store in Boise. St. Joseph's Catholic School in Boise plans a two-story, \$800,000 addition, with the Planning & Zoning Commission hearing scheduled for mid-February. Goodwood Barbecue plans a second restaurant at the Crossroads shopping plaza in Meridian, opening in summer 2002.

Adams County

- The Adams County Aquatic Committee, established by Rosie Abide and Alice Hutchins, has set its first goal—to determine the feasibility of developing, constructing, and maintaining an aquatic center to “meet the stated needs of the general public” in Council. Surveys on the project are available at Shaver's, Buckshot Mary's, Council Valley Market, and the library. The more information that the public provides on the surveys, the more effective the committee will be in determining which direction, if any, the project should take.

Gem County

- The Gem County Chamber of Commerce held its annual Community Auction in January. The event grossed \$5,900 for the Chamber. Nearly 130 people attended the event that was catered by Tee Time Café in Emmett. The money raised will fund community events throughout the year such as the annual Cherry Festival and other community events as well as help fund Chamber office expenses.

Payette County

- The Payette Chamber of Commerce chose Payette Printing as this year's Business of the Year. Payette Printing is owned by Bill and Karen Bommersbach and employs one additional employee. The business serves many areas in the Treasure Valley, from Midvale to Parma.

Valley County

- McCall's annual winter carnival took place between January 25 and February 3, 2002. Large crowds attended the ten-day event that featured snow sculptures, music, a food court, parades, Monte Carlo Casino Night, hockey demonstrations, dances, plays, dog pulls, ATV races, snow sculpting contests, bingo contests, snow shoe golf, beard/hairy/& sexy leg contests, wine festival, a fun run, figure skating exhibitions, and cross country skiing. Area restaurants, stores, and lodging establishments benefited from the influx of tourists in McCall for the annual event.

- The Western Council of Industrial Workers and Cascade officials met in January to discuss the possibility of reopening the Boise Cascade sawmill under new management. In order to reopen the mill, millions of dollars in equipment needs to be purchased and the state and Northern Pacific Railroad need to keep the rail line between Cascade and the Boise valley open. In the January meeting, the group discussed a possible feasibility study that could cost up to \$20,000; an initial \$10,000 study was funded by a grant from the U.S. Department of Agriculture. The information was presented to the Cascade Chamber of Commerce.

- The Idaho Transportation Department announced the award of \$500,000 to the city of McCall for the four corners project, in early January. The project will include the beautification of all four corners at the intersection of Deinhard Lane and Idaho 55, at the south entrance to McCall. The project will include landscaping, decorative fencing, and pedestrian crosswalks. It requires a local match of \$50,000, which will come from the city of McCall's general fund over the next three years along with donated land from the city, Lumbermen's Building Center, and Village East Plaza. The project is scheduled for completion in 2004.

Washington County

- Quinco Credit Union announced in January that it will open an office in Weiser. March 31, 2002 is the targeted opening date for the new location, but the final date will be determined after a site is chosen in Weiser for the office.

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MAGIC VALLEY

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA, & TWIN FALLS COUNTIES

EMPLOYMENT TRENDS

The seasonally adjusted unemployment rate for the Magic Valley Labor Market Area was one-tenth of a percentage point lower in December 2001 than December 2000 and two-tenths of a percentage point higher than November 2001, as shown on Magic Valley Table 1. *Civilian Labor Force* was slightly lower in December than a year ago, but the number of unemployed persons was lower also, accounting for the lower unemployment rate.

Nonfarm Payroll Jobs saw a modest increase of 3.2 percent from December 2000 to December 2001. This trend is in keeping with the Magic Valley LMA's tendency to be relatively stable or slightly improved compared to the rest of the state and the nation in the present economic downturn. Some major areas that had significant drops year-over-year were *Mining & Construction*, *Transportation, Communication, & Utilities*, and *Government-Education* with percentage declines of 11.9, 9.1, and 4.6 percent, respectively. *Mining & Construction* fell because of weather-related issues. A mild winter in 2000 allowed for many construction projects to continue well into December and even January 2001, however, heavy snow and bad weather in November and December 2001 forced many projects to be suspended.

Government-Education fell as a result of state budgetary concerns as many school districts have not refilled positions caused by attrition and have eliminated some auxiliary positions. Significant increases took place in *Services* and *Finance, Insurance, & Real Estate* with increases of 27.1 and 14.3 percent, respectively. Some of the very large *Services* increase is due to jobs that had previously been designated as *Agricultural Services*. However, a good portion of this increase is due to the strong tendency of many Magic Valley employers to use temporary employment agencies for staffing,

Magic Valley Table 1: Labor Force & Employment
Twin Falls, Jerome, and Gooding counties

	Dec 2001*	Nov 2001	Dec 2000	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	48,670	47,980	49,560	1.4	-1.8
Unemployment	2,130	2,010	2,210	6.0	-3.6
% of Labor Force Unemployed	4.4	4.2	4.5		
Total Employment	46,540	45,970	47,350	1.2	-1.7
Unadjusted					
Civilian Labor Force	48,460	48,150	48,460	0.6	0.0
Unemployment	2,220	1,870	2,220	18.7	0.0
% of Labor Force Unemployed	4.6	3.9	4.6		
Total Employment	46,240	46,280	46,240	-0.1	0.0
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	39,660	39,460	38,440	0.5	3.2
Goods-Producing Industries	6,910	7,000	7,340	-1.3	5.9
Mining & Construction	1,770	1,830	2,010	-3.3	-11.9
Manufacturing	5,140	5,170	5,330	-0.6	-3.6
Durable Goods	840	870	900	-3.4	-6.7
Nondurable Goods	4,300	4,300	4,430	0.0	-2.9
Food Processing	3,270	3,320	3,350	-1.5	-2.4
All Other Nondurable Goods	1,030	980	1,080	5.1	-4.6
Service-Producing Industries	32,750	32,460	31,100	0.9	5.3
Transportation, Comm., & Utilities	2,690	2,660	2,960	1.1	-9.1
Wholesale Trade	2,280	2,320	2,300	-1.7	-0.9
Retail Trade	8,230	8,250	8,540	-0.2	-3.6
Finance, Insurance, & Real Estate	1,520	1,510	1,330	0.7	14.3
Services	10,590	10,220	8,330	3.6	27.1
Government Administration	3,730	3,720	3,750	0.3	-0.5
Government Education	3,710	3,780	3,890	-1.9	-4.6

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

and that sector increased significantly as some businesses started using temporary workers instead of regular full- or part-time workers.

The South Central Idaho area finished up 2001 on a strong note with increases in *Nonfarm Payroll Jobs* and decreases in the unemployment rate. Consumer confidence remains strong due to adequate precipitation thus far making the agricultural outlook relatively good. There is some concern as winter storms have abated recently, but snow accumulation remains considerably better than last year. The area continues to be atypical of the trends shown in the rest of the state and the outlook for the area is that economic cooling will continue, but South Central Idaho should continue to be stable at least through the first half of 2002. Unemployment rates should remain stable or perhaps slightly higher. If the continuing trend of no long-term layoffs prevails, good consumer confidence and economic stability should remain in the area this year.

AREA DEVELOPMENTS

Twin Falls County

- Building permits for new single-family homes set a new record for the city of Twin Falls in 2001. Last year's 241 building permits exceeded the previous record of 238 set in 1994. Even though there was a decline in commercial buildings, the single-family housing permits helped the city tally its highest combined construction values of the last four years.
- The Magic Valley Mall has signed several new tenants to leases thus far in 2002. The addition of such tenants as Victoria's Secret, Mariposa, Roth's Shoes, and Lotus Express has brought to within 3,025-square feet of complete occupancy. Victoria's Secret is the largest retailer of the new group and will locate in the former Lane Bryant location in the mall. Most of the new tenants should be in place and operating by early spring 2002.
- The Prime Cut Restaurant located on Blue Lakes Boulevard in Twin Falls closed after 25 years in business. The company stated that the arrival of new restaurants in town severely curtailed its business and forced the closure. About 24 full- and part-time workers were affected by this action.
- Golden Corral Restaurant has announced plans to locate a new facility in Twin Falls during 2002. Jeff Casey of Boise will be the franchisee of the new restaurant. Mr. Casey also owns Café Ole and the Wendy's Old Fashioned Hamburgers location in Twin Falls. There has not been a definite location or time set for the opening of the restaurant, but the facility is expected to be like the one in Pocatello with seating for 300 customers and an initial hiring of 130 workers.
- The Twin Falls City Council unanimously voted to appoint Lance Clow as the city's new mayor. Mr. Clow replaces Elaine Steele whose term was over as city mayor. Steele was voted vice-mayor. The Twin Falls mayor has the major responsibility of presiding at city council meetings. Clow is an eight-year veteran of the city council and was re-elected this past year along with incumbents Elaine Steele and Chris Talkington. With Elaine Steele back in a regular council position, there are now three former mayors on the city council.
- The Twin Falls Chamber of Commerce and the College of Southern Idaho, sponsors of the annual Success Breakfast, has scheduled Joe Theisman, former Super Bowl winning quarterback with the Washington Redskins and an ESPN commentator, as the featured speaker. The breakfast will begin at 7:00 a.m. March 20 in the College of Southern Idaho gymnasium. Mr. Theisman's speech "Game Plan for Success" will be from 8:30 to 9:30 a.m. with 15 minutes for questions and answers.

Jerome, Gooding, Camas, Lincoln, and Blaine Counties

- Magic Valley Bank, a Twin Falls-based community bank, has constructed and opened a full-service branch in Gooding. The branch, located at 746 Main Street in Gooding, is the Magic Valley Bank's first full-service branch office built and owned by the company. The Gooding office was opened in a trailer at the same location in April 2000. The trailer was closed on January 31, 2002, as the switch over to the permanent branch was made.
- Elkhorn Resorts in Sun Valley, including the hotel and golf course, has been purchased by the Chesapeake Hotel Group of Annapolis, Maryland. Terms and conditions of the sale were not disclosed, and it was not immediately known if any major changes in operation are forthcoming.

Cassia and Minidoka Counties

- The Heyburn City Council voted unanimously to annex 32 acres that includes the J.R. Simplot Heyburn Plant. The council had been considering this for several months, but had suspended the action while city and company officials negotiated electrical rates. However, there was not satisfactory progress made, and the city proceeded with annexation. Simplot countered with litigation, alleging that the city's electrical rates were unreasonable and exorbitant. The issue was sent to the Fifth District Court where it was ruled that the city had acted properly in its annexation and would not award Simplot any reparations for high electrical rates. Simplot and the city reached a tentative agreement on January 11, 2002, to resolve their dispute about the sale of electricity. Under the announced agreement, the city will try to sell its electrical distribution system. The purchasing entity will arrange terms and conditions for electrical service to Simplot's Heyburn facility that are acceptable to Simplot officials. If the city sells the electric system, Simplot will drop its lawsuit against Heyburn. The sale of the electric distribution system is expected to take four to six months.
- Cassia Regional Medical Center in Burley has partnered with a group of 27 radiologists based in Salt Lake City to cover the radiology needs at the hospital. As part of the partnership, a computerized tomography scanner will be installed in a few months. Also as part of the agreement, a full-time radiologist will be on site during regular business hours. After hours and on weekends, hospital personnel can now send images to the LDS Hospital in Salt Lake City where a radiologist is available 24 hours a day. Patients will receive results quicker and be notified of diagnoses day or night from highly specialized professionals.

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SOUTHEAST IDAHO

BANNOCK, BEAR LAKE, BINGHAM, CARIBOU, FRANKLIN, ONEIDA, & POWER COUNTIES

EMPLOYMENT TRENDS

December typically brings only minimal changes in labor force and jobs. There are usually trade-offs where job increases in one industry are offset by job decreases in another industry. December 2001 was no exception. In December 2001, the Pocatello Metropolitan Statistical Area's (MSA's) seasonally adjusted unemployment rate edged up one-tenth of a percentage point to 5.4 percent from November 2001's revised rate of 5.3 percent.

Nonfarm Payroll Jobs dropped from 33,410 in November 2001 to 33,180 in December 2001 for a loss of 230 jobs. The reductions followed normal seasonal patterns, and most job reductions occurred in *Construction* (90) and *Government Education* (230). Summer construction projects that extended into the fall kept some construction workers employed into October and November, but by December most projects have been completed and jobs disappeared. Since schools and colleges closed for holiday breaks in December, jobs declined in that industry. There was little fluctuation in other industries in December.

From December 2000 to December 2001, the Pocatello MSA's unemployment rate jumped seven-tenths of a percentage point. The increase in the unemployment rate from December 2000 was because of major layoffs during the year as the economy dipped into a recession. American Microsystems, Inc. reduced staff because of a slowing economy, particularly in the electronics/technical sector, and Astaris eliminated jobs when they closed their Pocatello manufacturing facility because trade imports and market conditions reduced their profitability.

The change in the number of *Nonfarm Payroll Jobs* was much less dramatic. *Nonfarm Payroll Jobs* declined by 70 over the year, a loss of just two-tenths of a percentage point. Part of the reason that *Nonfarm Payroll Jobs* did not show the dramatic difference that the unemployment rate did is because jobs are counted in the county where the work is performed and

Southeast Idaho Table 1: Labor Force & Employment
Pocatello City MSA (Bannock County)

	Dec 2001*	Nov 2001	Dec 2000	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	41,280	41,210	39,460	0.2	4.6
Unemployment	2,250	2,190	1,860	2.7	21.0
% of Labor Force Unemployed	5.4	5.3	4.7		
Total Employment	39,030	39,020	37,600	0.0	3.8
Unadjusted					
Civilian Labor Force	40,540	40,550	40,660	0.0	-0.3
Unemployment	1,690	1,660	1,660	1.8	1.8
% of Labor Force Unemployed	4.2	4.1	4.1		
Total Employment	38,860	38,890	39,000	-0.1	-0.4
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	33,180	33,410	33,250	-0.7	-0.2
Goods-Producing Industries	4,220	4,320	4,530	-2.3	-6.8
Mining & Construction	1,600	1,690	1,590	-5.3	0.6
Manufacturing	2,620	2,630	2,940	-0.4	-10.9
Service-Producing Industries	28,960	29,090	28,720	-0.4	0.8
Transportation, Comm., & Utilities	1,730	1,750	1,760	-1.1	-1.7
Wholesale Trade	1,450	1,420	1,520	2.1	-4.6
Retail Trade	6,950	6,890	7,420	-0.9	-6.3
Finance, Insurance, & Real Estate	1,790	1,790	1,620	0.0	10.5
Services	8,190	8,150	7,910	0.5	3.5
Government Administration	3,440	3,450	3,400	-0.3	1.2
Government Education	5,410	5,640	5,090	-4.1	6.3

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

unemployment is counted in the county where the worker resides. The Pocatello MSA, for which labor force and jobs are reported for this area, contains only Bannock County. Astaris is located in Power County, but most of the workers there live in Bannock County. Therefore the unemployment rate was affected in Bannock County, but the number of *Nonfarm Payroll Jobs* was affected in Power County and not reflected in the Pocatello MSA statistics. Jobs increased in *Services* (280), *Finance, Insurance & Real Estate* (170), and *Government Education* (320). Jobs appear to have increased significantly in *Services*, but occurred because of a redistribution of where jobs in *Membership Organizations* were reported and do not reflect the actual number of new jobs over the year. Jobs increased in *Government Education*, primarily *State Government Education*, because of student employment at Idaho State University, which tends to fluctuate from month-to-month. Added jobs in *Finance, Insurance & Real Estate* occurred mainly because of a re-organization at Farmers Insurance last summer. Job reductions in the area, the national recession, and drought took their toll on the retail sector. *Retail Trade* jobs were down by 470 in December 2001 from December 2000. The gradual loss of retail jobs, coupled with fewer temporary jobs for the holidays, contributed to the reduction. Another standout was the decline of 320 *Manufacturing* jobs from December 2000. The obvious cause was the American Microsystems reduction but small reductions also occurred in every other manufacturing industry.

AREA ECONOMIC DEVELOPMENTS

Please note: Information contained in Economic Developments is obtained from area newspapers, local Job Service offices, trade publications, local area Chambers of Commerce publications, and other sources.

Bannock County

- An \$8 million dollar redevelopment project began in December to turn the old Simplot building at 4122 Yellowstone Avenue in Pocatello into a regional shopping center. The center, Cobblestone Creek, will house T.J. Maxx and Pier 1 Imports and have space for two more retailers in the main building. Plans include the addition of a 4,500-square-foot pad site for future development. T.J. Maxx is a national department store chain and Pier 1 Imports is a national gifts and home furnishings chain. Completion of the renovation is expected this spring.
- Best Auto Parts has begun site excavation for their new store on the Fred Meyer Campus in Pocatello.
- Candle Works in Old Town Pocatello moved into the former Chocolate Soup location at 150 South Main. The move allowed the business to expand from custom-made candles to a gift shop featuring local craft maker's wares and a coffee bar.
- The Union Pacific Railroad has announced plans to close the Pocatello hump yard and eliminate 30 jobs. The announcement was made in January 2001, and closure of the hump is expected sometime this spring. The railroad also will dismantle tracks in its Pocatello operation. Railroad officials stated that the closure is necessary for the company to remain competitive nationwide.
- Local retailers reported a better-than-expected holiday shopping season. In Pocatello, national chains Walmart, K-Mart, and Fred Meyer reported bustling holiday shopping activities. Small, locally owned businesses also reported better sales this year than last year.

Bingham County

- Bingham Community Rural Health Clinic opened at Bingham Memorial Hospital in Blackfoot. The clinic is designed to care for patients who do not have a primary care physician. A nurse practitioner and two local physicians have been hired to provide health care at the clinic.
- Cobia Photography opened in the Clark Plaza on Parkway Drive in Blackfoot. The business specializes in school, family, and special events photography.
- Construction is underway on the new C-A-L Ranch Store on Meridian in Blackfoot. Completion and opening of the store is expected in May 2002.
- The Blackfoot Urban Renewal Agency has obtained funds for a \$1.2 million downtown revitalization project. The project will include replacement of water, sewer, and storm sewer lines; curbs, gutters and side-

walks; installation of decorative lighting; and the leveling and repaving of some streets. The project is expected to begin by the end of March and be completed by the end of July.

- Spudnik Equipment Company of Blackfoot has partnered with Grimme Agricultural Equipment of Germany. The partnership establishes a business that will design, manufacture, distribute and service potato equipment worldwide.
- Shelley Cabinet Company of Shelley will expand its cabinet manufacturing business and add approximately 18 employees. Shelley Cabinet Co. has been in business for nearly 50 years.
- The Typhoon Restaurant in Blackfoot closed in January. The space previously occupied by the restaurant will be used in an expansion of the Oakridge Deli. The owners have retained the Typhoon franchise and may re-open at a different location in the future.

Franklin County

- The new Larsen-Sant Library opened in Preston in February 2002. A human chain was formed to move books from the old Carnegie Library to the new library. More than 2,000 people helped to move 8,000 books into the new facility.

Oneida County

- Oneida County Commissioners hosted an open house to allow residents to see the new \$390,000 county shop. The building is 9,600-square feet and has four separate working bays.
- Oneida County Search and Rescue has announced plans to build a new Search and Rescue building. The group has received federal grants and loans to purchase materials; labor will be provided by Search and Rescue members. The group also is working on obtaining waterways funding to add another bay for boat storage and a jet ski for patrolling reservoirs.

Power County

- Completion of the new American Falls High School is ahead of schedule and will be ready for students to begin the fall 2002 school year. The 143,000-square-foot building is one level and complies with Americans with Disabilities Act accessibility regulations. The school includes a 1,477-seat gym, an 876-seat auditorium and a standard sized stage with an orchestra pit. The school can accommodate 650 students with expansion to 876 students.

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NORTHEAST IDAHO

BONNEVILLE, BUTTE, CLARK, CUSTER, FREMONT, JEFFERSON, LEMHI, MADISON, & TETON COUNTIES

EMPLOYMENT TRENDS

The seasonally-adjusted unemployment rate for the Bonneville Labor Market Area (LMA) increased four-tenths of a percentage point from November to December 2001 (see Table 1). The increase was expected as layoffs at the Idaho National Engineering and Environmental Laboratory (INEEL) were finalized for the year and construction decreased for the winter. Each of the four counties' unemployment rates increased five-tenths of a percentage point month-over-month with the exception of Bingham County, which increased three-tenths of a percentage point. Idaho Falls, the largest city in the LMA, increased six-tenths of a percentage point to a current 3.8 percent, the highest it has been since April 2000. Bingham (4.9), Bonneville (3.6), Butte (4.2) and Jefferson (4.0) Counties showed decreases or remained unchanged from December 2000 with the exception of Bonneville County, which increased four-tenths of a percentage point, mostly as a result of INEEL layoffs.

The other six counties that are not part of the LMA all showed increases in their unemployment rate over the month. Clark County increased one-tenth of a percentage point to 4.2 percent, Custer County increased 1.3 percentage points to 7.0 percent, Fremont County increased seven-tenths of a percentage point to 6.7 percent, Lemhi County increased five-tenths of a percentage point to 7.6 percent, Madison County increased three-tenths of a percentage point to 2.2 percent, and Teton County increased three-tenths of a percentage point to 3.2 percent. A year-over-year comparison shows that all six counties decreased by at least four-tenths of a percentage point; Lemhi decreased the most (2.3 percentage points) since the December 2000 figure, which was affected by the 2000 fires and layoffs at Beartrack and Thompson Creek Mines throughout the year.

Nonfarm Payroll Jobs (jobs by place of work) decreased 390 over the month. *Goods-Producing Industries* showed a decrease of 480 jobs, all from *Construction* as it dipped the later part of November and

Northeast Idaho Table 1: Labor Force & Employment
Bonneville, Bingham, Butte, & Jefferson counties

	Dec 2001*	Nov 2001	Dec 2000	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	85,690	85,530	79,670	0.2	7.6
Unemployment	3,450	3,050	3,150	13.1	9.5
% of Labor Force Unemployed	4.0	3.6	4.0		
Total Employment	82,240	82,480	76,520	-0.3	7.5
<i>Unadjusted</i>					
Civilian Labor Force	84,700	85,410	78,710	-0.8	7.6
Unemployment	3,410	2,690	3,090	26.8	10.4
% of Labor Force Unemployed	4.0	3.2	3.9		
Total Employment	81,290	82,720	75,620	-1.7	7.5
JOBS BY PLACE OF WORK					
<i>Nonfarm Payroll Jobs**</i>	63,350	63,740	62,360	-0.6	1.6
<i>Goods-Producing Industries</i>	8,710	9,190	8,910	-5.2	-2.2
Mining & Construction	3,700	4,190	3,620	-11.7	2.2
Manufacturing	5,010	5,000	5,290	0.2	-5.3
Food Processing	2,620	2,610	2,860	0.4	-8.4
Ind. & Com. Mach. & Computer Equip.	440	440	480	0.0	-8.3
All Other Manufacturing	1,950	1,950	1,950	0.0	0.0
<i>Service-Producing Industries</i>	54,640	54,550	53,450	0.2	2.2
Transportation, Comm., & Utilities	2,700	2,720	2,370	-0.7	13.9
Wholesale Trade	5,220	5,220	6,060	0.0	-13.9
Retail Trade	11,550	11,420	11,670	1.1	-1.0
Finance, Insurance, & Real Estate	1,910	1,900	1,800	0.5	6.1
Services	21,400	21,350	20,920	0.2	2.3
Government Administration	5,860	5,910	5,240	-0.8	11.8
Government Education	6,000	6,030	5,390	-0.5	11.3
*Preliminary Estimate					
**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month					

into December when snow and extreme cold weather forced layoffs. *Service-Producing Industries* showed an increase of 90 jobs with *Retail Trade*, *Finance, Insurance, & Real Estate* showing a gain over losses in *Transportation, Communications & Utilities*; *Government Administration*; and *Government Education*. *Retail Trade* normally increases due to increased shopping during the holidays, and *Finance, Insurance, & Real Estate* increases were very slight. *Utility* losses were slight, and *Communications* loss was due to contract changes in several companies. *Government Administration* faced some losses with budgetary changes and *Government Education* was somewhat affected by changes in curriculums.

A year-over-year comparison saw an increase of 990 in *Nonfarm Payroll Jobs*, mostly in the *Service-Producing Industries*. *Wholesale Trade*, mostly *Non-durables*, saw a rather significant decrease with low temperatures over the month preventing shipment and preparation of some raw products. *Communications* added 280 jobs as new services and equipment were made available to customers. *Services* increased 480 jobs with gains in the sectors of *Business Services* (940) and *Health Services* (160) counteracting losses in *Engineering & Management* (540 jobs) from INEEL layoffs and early retirements in 2001. *Government Administration (Local)* and *Government Education (mostly Local)*

each showed increases of over 600 jobs from December 2000. Governing tribal employment was changed from the private sector to *Government Administration* (Fort Hall numbers are part of the LMA). *Goods-Producing Industries* experienced a loss of 200 jobs, with *Food & Kindred Products* and *Preserved Fruits* the contributors. Several companies in these sectors added more automation over the last several years, decreasing the need for the number of workers in the *Food Processing* industry.

AREA DEVELOPMENTS

Bonneville County

- ML Technologies took advantage of a business closure while helping to stabilize the economy. Lucero Computer Services ceased operations after 17 years and Fred Miyasaki, president of ML Technologies, hired the staff and took over the customer base under ML's name. This allows the customer base to maintain uninterrupted technical service, get parts, upgrades, equipment, and repairs from the same familiar location on Lincoln Road in Idaho Falls. The addition of Lucero's staff, with their technical certifications and manufacturer's authorizations, fits into ML Technology's strategy—to be a national source for complete information technology solutions. The company has other offices throughout the United States including Idaho Falls and St. Anthony.
- Plans to build a 180-unit upscale apartment complex in Ammon have been announced. Bach Corporation of Utah will start building this spring on an eight-acre parcel of land between Edwards Cinemas and Hillcrest High School. Bach Corporation chose the area for its proximity to stores and the mall, and because it is a high-growth area. The complex will be built in two phases and will include a clubhouse/fitness center and swimming pool.
- Wood Funeral Home plans to open its second mortuary in Ammon. Phase one, a 7,200-square-foot building, should be completed in March at 963 South Ammon Road. Phase two will soon begin on a 2,000-square-foot addition. The mortuary offers everything the Idaho Falls location offers except cremation. Wood has been in operation since 1919 in Idaho Falls and is opening this second location because of Ammon's growth and their lack of a mortuary.
- Developer Tom Arave of Arave Construction in Blackfoot is constructing two facilities in Ammon. A building on the northeast corner of Hitt and Sunny-side Roads will house a Chevron station and lube bay, car wash, convenience store, and Pickerman's Restaurant. The 6,400-square-foot building is due to open in May. His other project is an 84-unit apartment complex on Seventeenth Street near Sonic Drive-In. The complex will include studio and one-bedroom apartments renting from between \$250 and \$475 per month, including utilities.
- Pet Stop opened in October at 265 First Street. The business sells puppies, kittens, birds, and basic pet supplies. Hours are Monday through Saturday,

9 a.m. to 7 p.m. More information is available at 552-0237.

- Bennigan's is opening a restaurant at Taylor Crossing on the River in Idaho Falls. The location currently is marked with a sign on the river next to ABS Mechanical, off of Utah Avenue. McNeil Development says the building should be ready in the spring of 2003.

Fremont County

- The new Ashton Living Center is almost ready for operation in Ashton. It will replace Ashton Memorial Hospital, the 50-year-old facility that currently only operates the nursing care facility. The Living Center will have 38 beds and will offer private rooms, assisted living, a larger physical therapy room, and more space and equipment to take care of outpatients. It will be visible from Highway 20. Employment is expected to rise from 45 to almost 60 full-time people.

Teton County

- Big Hole Music has moved to a new location on Little Avenue next to O'Rourke's Restaurant in Driggs. The move to its new building allows for a wider selection of CDs, instruments, and accessories. There will also be space for a teaching room that several teachers can use as a central location for interested customers. Owner John Collins makes violins, and repairs violins, violas, and cellos downstairs.
- Knobe's Radio Shack moved at the end of December to a more convenient location by Big Hole Music on Little Avenue in Driggs. The move helped increase traffic and allowed for a copy center for copy, laminating, and binding jobs. It now offers a larger selection of office supplies and furniture, and additional storage room helps keep special orders manageable.
- Edge Photo, a Victor business, and Teton Video moved into the Black Hawk building on Main Street in Driggs.

Lemhi County

- District 7 Health Department moved into its new community health building on Monroe Street in Salmon in early February. An Idaho Community Development block grant was used towards the construction costs of the 3,018-square-foot building. The office has five employees.

Madison County

- Melina's Mexican Food opened in December on West Main Street in Rexburg. The franchise is owned by Jose Chaparro. Melina's has several branches throughout Southeast Idaho including locations in Idaho Falls, Blackfoot, and Pocatello.

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FY2002 & FY2003 PROJECTIONS

Portions of this report were taken from a Department of Labor presentation to the Economic Outlook and Revenue Assessment Committee, Idaho State Legislature.

Introduction

Who could have predicted some of the things that happened last year? We entered a national recession and its effects were felt in Idaho. We experienced the traumatic aftermath of the terrorist attacks that, although uniting the country, brought about many questions concerning our security and intensified already low business and consumer confidence levels. Our government engaged the terrorist enemy, sending our military into battle. We barely made it through the summer drought conditions, and the western electrical energy shortage was alarming.

These events were, and continue to be, felt by Idaho's labor force—employers and employees alike. Last year at this time we predicted that an economic slowdown was likely to happen in Idaho. Nationally, there would be a cyclic slowdown from the economic boom of the late 1990s, and we would feel it somewhat in Idaho. We also said the expected slowdown in Idaho's population growth rate would result in a slower growing economy and labor force. The unforeseen events forced a steeper slowdown or, in some cases, caused job losses within the state.

This greater-than-expected slowdown happened because Idaho is not insulated from national economic conditions, although it often lags in its response to them. The state's economic structure is different than the nation's, and influences on the state's economic well-being are often local in nature. Nevertheless, the national slowdown in manufacturing and business investment was felt by Idaho's electronics industries. In addition, concern about travel resulted in fewer business meetings and tourism trips, impacting *Retail Trade* and *Other Services* businesses. Many of the same industries have been affected by lower consumer confidence, which influences so many purchasing and other financial decisions. In spite of these conditions, Idaho's job count increased in 2001 and is expected to continue growing.

Projection Summary

The projection data is for the state fiscal year (FY), that is, for the period from July through June. For example, FY2002 will cover the data from July 2001 through June

2002. The data also will include only those jobs where the employer is covered by Idaho's Unemployment Insurance Law. This law includes nearly 95 percent of Idaho's Nonfarm Payroll Jobs.

Idaho's employment picture for the next two years will be one of very modest growth and at a slower pace than in the mid-1990s. Diversification of the industrial mix will continue. Our forecast for Idaho's *Total Employment*, which is the count of Idahoans with a job, is a 2.0 percent growth rate in FY2002 and a 2.3 percent growth rate in FY2003. Our forecast for growth in covered *Nonfarm Payroll Jobs*, or the count of jobs offered by Idaho employers, is 1.1 percent for FY2002, and 2.3 percent for FY2003. The *Unemployment Rate* is projected to be 5.1 percent for both FY2002 and FY2003.

(Note: Industry-specific and state Nonfarm Payroll Jobs data includes only those jobs covered by the state's Unemployment Insurance program. Among those not included are approximately 56,000 people who are self-employed. The nature of their self-employment work could fall in any industry classification. Because the self-employed are dispersed widely among industries, their non-inclusion in this data should not materially distort employment estimates and projections.)

The small, but positive, growth rates in covered *Nonfarm Payroll Jobs* projected for FY2002 and FY2003 are the lowest in ten years and considerably below the 3.2 percent increase in jobs estimated to have occurred from FY2000 to FY2001. Projections point towards 6,100 more jobs in FY2002 than in FY2001, an increase that more than doubles in FY2003 when projections call for an additional 12,900 jobs.

The projected Idaho growth rate for *Nonfarm Payroll Jobs* next year is higher than that predicted for the nation. National growth rates are expected to range from slightly negative to almost flat in 2002 to 1.5 percent the following year. The national recession is projected to end no later than the second quarter of 2002. The national unemployment rate had been expected to remain below 4.5 percent in 2002. After being below 5 percent through most of 2001, the national rate climbed to 5.4 percent in October and 5.7 percent in November. It is widely thought these increases are a direct result of the September 11 terrorist attacks that not only caused sudden job losses, but also exacerbated the recessionary conditions that were present at the time.

Almost all of Idaho's industries are expected to grow with a few exceptions to be addressed later. All regional economies will grow although the persistent and sometimes large differences in county unemployment rates will remain. Sustained population growth throughout the last decade has been a major driver in Idaho's employment expansion. Although the 2000 Census ranked Idaho thirty-ninth among the other states in population size, it was the fifth fastest growing state from 1990 to 2000. It is expected this population growth pace will not be sustained in the next two years, but there will be population increases.

Idaho is projected to have experienced a 4.9 percent annual average unemployment rate for 2001, unchanged from the annual average rate for 2000. The average number of unemployed persons is projected to be 31,400, slightly down from the 31,900 average number unemployed in 2000.

Overall Projections

Our forecast for Idaho's *Total Employment* is a 2.0 percent growth rate in FY2002 and a 2.3 percent growth rate in FY2003. Our forecast for growth in total covered *Nonfarm Payroll Jobs* is 1.1 percent for FY2002 and 2.3 percent for FY2003. The Idaho *Unemployment Rate* is projected to be 5.1 percent for both FY2002 and FY2003.

Projections by major industry groups are in FYI Table 1 on page 24. The following are some highlights of these industries.

Growth Industry Forecasts

Electronics jobs are expected to decline by 7.2 percent in FY2002, but rebound somewhat in FY2003 with a 2.9 percent positive growth rate. This industry will provide an estimated 23,700 jobs in FY2002, down from the 25,500 estimated for FY2001. This is a highly volatile industry group, and the downturn in business investment nationally caused job losses in Idaho. However, Idaho should see improvements in these industries due to the end of the recession, productivity increases, large research and development investments, improved prices, and increased market share.

The industry group with the most employment is *Retail Trade*, and its long-term growth trend has exceeded the statewide average. Most of this growth can be attributed to increases in population, but Idaho's tourism industry also has been a major contributor. All areas of the state have seen the emergence of general shopping malls, specialty shopping malls, national mega-retailers, national and regional restaurant chains, convenience stores, and tourist facilities that have bolstered *Retail Trade*

employment. The 9-11 terrorist actions created a downturn, hopefully temporary, in tourism. *Eating & Drinking Places*, a component of *Retail Trade* that is included in tourism employment estimates, lost jobs in the latter part of the year. Since *Retail Trade* activity is critical for Idaho sales tax projections, the increasing employment levels are positive. The emergence of e-commerce is still an unknown factor in Idaho's *Retail Trade* employment picture. The slower population growth we are experiencing, increasing consumer confidence, and ebbing travel nervousness are factors that will have a pronounced effect on *Retail Trade* employment over the next two years.

Even though *Retail Trade* employment has increased substantially, average wages have not kept pace. This may be because this industry is a source of many part-time jobs, a portion of which are second jobs for workers who are also employed elsewhere. Nationally, Idaho ranks thirteenth in multiple job holding. However, this trend has decreased somewhat from an estimated 9.5 percent in 1995 to 7.9 percent in 2000.

Business Services is expected to provide nearly 32,000 jobs in FY2002—a 9.3 percent increase over FY2001—and 34,900 jobs in FY2003. This industry includes advertising, printing, computer services, call centers, and temporary employment agencies. Employment levels in this industry are sensitive to general business conditions and reflect changes in business-to-business services. There will be continued out-sourcing of printing, computer services, and janitorial services, as well as businesses turning to temporary employment agencies for short-term and longer-term labor needs. In fact, temporary employment agencies often supply a significant share of a business' ongoing staffing needs. Security services might very well become a major source of new jobs during the forecast period.

Health Services is one of the state's high growth, high employment industries, and this should continue. An increased number of residents, an aging population, new hospital construction/expansions, and more medical specialties moving into or expanding throughout Idaho, are principal reasons for the job growth. However, this growth has been largely an urban phenomenon. Some rural areas lost their community hospitals and skilled nursing facilities and no longer have a range of medical specialties available to them. While the growth in this industry is extremely beneficial to the state, the losses felt in some areas are extremely stressful. Challenges confronting this industry include acquiring and maintaining a skilled labor force necessary to meet growth and specialization. We expect *Health Services* to have 39,100 jobs in FY2002 (up 5.5 percent from FY2001) and 40,700

jobs in FY2003 (up 4.0 percent from FY2002).

Hotels, recreational facilities, and nonprofit organizations are included in *Other Services*. With an estimated FY2001 employment level of over 76,300, *Other Services* is the second-largest industry group. It is projected to have a 1.4 percent employment growth rate from FY2001 through FY2002, and a 2.3 percent growth in FY2003. As has been the case for recent years, Idaho National Engineering and Environmental Lab (INEEL) employment cannot be predicted with certainty. Layoffs at INEEL occurred in 2001 and several announcements have been made about possible future layoffs. The projections for *Other Services* are based on some INEEL job losses.

Employment in *State and Local Government* is also expected to increase. The funding for jobs in these groups stems from many sources, and public administrators are quite adept at covering shortfalls from one source with funds from another. However, almost all funds flow from a tax or fee base, and economic conditions have a direct effect on this base. Both state and local governments must respond to population growth in general, but the geography and demographics of that growth often have a direct impact on employment. This is seen in public school education when there is a sudden need for more classrooms and teachers in a specific location. It is also seen in higher education, when people return to school to learn new skills, to maintain technical relevancy, or to pursue their interests through continuing education. Therefore, while state and local government might not be growing in some areas or for some programs, the statewide number of jobs is expected to increase.

Employment Losses

Employment levels are expected to decline in three major industries: *Mining*, *Lumber and Wood Products*, and *Food Processing*. Electronics industries will lose jobs in FY2002, but add jobs in FY2003. While job loss events are significant and often highly visible, Idaho is fortunate to not to have a more widespread job loss situation.

Mining employment is expected to remain low. Several mines have closed or downsized since early 1999. Unless gold and silver prices unexpectedly rise and stabilize, *Mining* will continue to lose jobs. With fewer than 2,000 jobs, Idaho's mining industry is only a shadow of its former self.

Lumber & Wood Products employment is expected to suffer significant job losses in the next two years, declining to about 10,000 jobs statewide. Recently imposed tariffs on Canadian lumber imports might ease the low prices that accelerated sawmill layoffs and

closures. The remaining mills have had to make technological improvements to increase efficiency, but not employment, to remain competitive. In the next several years, the federal timber harvest issues likely will not be settled. Slower population growth could reduce housing starts and the demand for local wood products. It is likely that low lumber prices will continue because of the high product inventories existing nationally.

Area Unemployment Rates

The average annual unemployment rate for 2001 is projected to be 4.9 percent for the state, increasing to 5.1 percent for the next two years. However, there is a mixed picture about unemployment from county to county. In some cases, a high unemployment rate must be expected if seasonal industries dominate the county's economy. This is especially true in Idaho's less-populated counties.

We project that four counties will have had double-digit unemployment rates in 2001—Clearwater at 14.3 percent, Adams at 13.0 percent, Shoshone at 11.9 percent, and Benewah at 10.1 percent. These same counties, plus Idaho County, will continue to have double-digit unemployment rates during 2002 and 2003. All the northern Idaho counties, with the exception of Latah and Nez Perce, will experience unemployment rates above 6 percent.

Three counties are estimated to have had 2001 unemployment rates below 3.0 percent—Blaine at 2.8 percent, Teton at 2.5 percent, and Madison at 1.9 percent. We project the same counties will have very low unemployment rates in 2002 and 2003.

We predict a continuing tight labor market for Ada County because the projected 3.4 percent unemployment rate is below a general definition of full employment and could cause upward pressure on local wages.

Unemployment Insurance Activity

The rise in the unemployment rate, job losses, and the potential for increased Unemployment Insurance (UI) activity due to the growth of covered employment have resulted in significant increases in UI claims, weeks claimed, and total benefits paid during 2001. Compared to 2000, estimates for 2001 are that initial claims rose an estimated 30 percent, weeks claimed increased 31 percent, and the dollar amount of benefits paid climbed 41 percent.

Because of the seasonal nature of many of Idaho's industries, there always has been a cyclical structure for the state's UI activities. However, the recent increases are due substantially to business conditions in industries sensitive to the national recessionary pressures and the fallout from the terrorist activities.

FYI Table 1: EMPLOYMENT GROWTH TRENDS BY INDUSTRY

One, Five, and Ten Year Change Comparisons

Employment Projections for Fiscal Year^c 2003 (Largest to Smallest)^a

Industry	FY 2003% Change			
	Projected FY 2003 Employment	1 Year (FY200- 2)	5 Years (FY1998- 03)	10 Years (FY1994- 03)
Retail Trade	114,501	2.1	14.0	31.1
Other Services	79,162	2.3	17.8	45.6
Local Government	66,920	1.7	15.1	32.9
Self-employed	56,066	0.9	12.5	0.0
Health Services	40,658	4.0	23.4	49.9
Construction	39,018	2.9	22.4	43.9
Total Agriculture ^b	35,103	0.7	3.5	4.9
Agriculture ^a	14,451	2.3	15.1	11.2
Business Services	34,870	9.1	66.0	145.8
Wholesale Trade	30,676	0.4	1.0	18.8
State Government	25,445	2.0	10.1	15.9
Electronics	24,343	2.9	5.9	45.1
Fin., Ins., & Real Estate	22,301	0.4	7.3	12.9
All Other	21,886	0.8	2.1	6.6
Manufacturing				
Trans, Comm., & Util	18,093	5.5	32.5	60.7
exc Trucking				
Food Processing	17,332	0.0	0.1	-5.4
Federal Government	13,053	-1.4	1.5	-5.6
Trucking	10,843	2.7	13.7	32.8
Lumber & Wood	9,891	-5.9	-29.1	-34.2
Products				
Mining	1,802	-8.9	-39.1	-19.5
DTOTAL (All Industries)	661,964	2.1	13.3%	26.4%
^a		%		

Notes: ^a Monthly average number of workers whose employers are covered by Idaho's Unemployment Insurance Law.

^b Represents total agriculture employment. Average annual pay is not available for non-covered employees.

^cFY - the time period from July 1 through June 30

SOURCE: Idaho Department of Labor, Public Affairs as of January 2002

A comparison of the first three quarters of 2000 to the first three quarters of 2001 indicates there has been a 116 percent increase in claims from persons who worked in the *Other Manufacturing* industrial category, which includes electronics manufacturing. UI benefits paid to this group of claimants increased by 206 percent. There was a 251 percent increase in claims by persons who worked in professional, technical, or managerial jobs. These claimants often find it more difficult to find comparable work in their occupation. Finally, there was an increase in claims filed by persons living in Southwest Idaho where claims increased 5,704, or 44 percent, and in Southeast Idaho where there were an additional 833 claims—a 21 percent increase.

The Bottom Line

The next two years will continue this decade's growth trends in population, employment, average wages, and per capita personal income. However, Idaho's projected population growth, in the 1.2 percent range, is considerably lower than the 2 to 3 percent growth rate experienced in the mid-1990s. If the national economy and those in some of our surrounding states do not rebound quickly, Idaho's population growth might be slightly more than this rate if people move here for economic reasons.

The annual average unemployment rate is expected to rise to 5.1 percent for both 2002 and 2003.

Our estimate of Idaho's economy for FY2002 is that 20 percent of the *Nonfarm Payroll Jobs* will be in the *Goods-Producing Industries* (Mining, Construction, and Manufacturing) and 80 percent of the jobs will be in the *Service-Producing Industries*.

The largest industry group will be *Services* at 27 percent of the jobs followed by *Trade* with 25 percent. *Government* at all levels is expected to provide 19 percent of the jobs. All of the *Manufacturing* industries will have 13 percent of the nonfarm jobs.

There are several economic developments that should be watched. The first is how quickly the nation's economy will rebound from the recession and how Idaho will be affected. The decline in consumer confidence, due to the recession and terrorist attacks, also needs to rebound. Idaho's still relatively low unemployment rate signifies a tight labor market in most of the higher population centers. Agricultural prices have been low for several years, although late-year 2001 prices for most commodities were above year-ago levels. While farm employment levels are not expected to change significantly, delays in purchases of farm equipment and supplies could affect employment in supporting industries. Idaho's electronics industries have the capacity to add jobs, but the industries will remain volatile and face stiff competition. Finally, recent employment declines in mining and forest products are unlikely to be reversed soon.

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Regular Features

Data Tables

- Each issue of *Idaho Employment* contains standard data tables. Current month, previous month, and year-ago data are included. There usually is a two-month time difference between the date of the newsletter and the data series month, i.e., the November newsletter contains September data.
- Labor Force Statistics: Civilian Labor Force, Total Employment, Number Unemployed, and Unemployment Rate. Tables are for the state, labor market areas, counties, and major cities.
- U.S. Unemployment Rate.
- Nonfarm Employment by Industry: state and area tables for the month, previous month, and year-ago month. State data is more detailed than area data.
- Agricultural Employment: State data.
- Unemployment Insurance Program Statistics: Claims and Benefit Payment activities. State data.
- Hours and Earnings: Average Weekly Earnings, Average Weekly Hours, and Average Hourly Earnings for selected, major industry groups. State data.

Narrative Analyses

Each newsletter provides a discussion of state and area labor market developments and reasons for them. Employment changes, business highlights in the area's counties, and other items of labor market interest are included. Six different area newsletters are prepared and included in each issue of *Idaho Employment*.

A *For Your Information* section is a regular feature and contains data that is released periodically, such as Personal Income statistics, or articles prepared in response to frequently asked questions or current events affecting Idaho's labor market. The topical index is a list of items contained primarily in the *FYI* section.

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- » "Farmworker Prevailing Wage Survey" Nov., pg. 21.
- » "Idaho Water Supply Outlook as of May 1, 2001" June, pg. 21.

- » "Rural Idaho Forum" Dec., pg. 12.
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Annual Employment Data

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- » "2000 Nonfarm Payroll Jobs" Southeast area, Nov., pg. 17.
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- » Annual County Labor Force Data Tables. March, pg. 22.
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- » "High-Tech Update" Boise City MSA, Oct., pg. 12.
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- » "Labor Market Information Overview" Jan., pg. 21.
- » "Labor Supply and Demand" Southeast area, Jan., pg. 18.
- » "Women's Wages in Idaho" Aug., pg. 23.

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- » "Business Roundtables" Unemployment Insurance program, July, pg. 16.
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- » "Job Service Activity" Nov., pg. 1.
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- » "Business Roundtables" Hiring and retaining employees, Sept., pg. 17.
- » "Business Roundtables" Unemployment Insurance program, July, pg. 16.
- » "2001: A Sun Valley Odyssey LMI Forum" Oct., pg. 21
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- » "Business Roundtables" Unemployment Insurance program, July, pg. 16.
- » "Dancing in the Streets" Aug., pg. 20.
- » "Idaho Water Supply Outlook as of May 1, 2001" June, pg. 21.
- » "Rural Idaho Forum" Dec., pg. 12.
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Occupational Employment

- » "Farmworker Prevailing Wage Survey" Nov., pg. 21.
- » "Occupational Employment & Wages" June, pg. 22.

Personal Income and Per Capita Personal Income

- » "Per Capita Income" Seaport area.

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- » "Population 2000" Southeast area, Apr., 17.

- » "Population Update" Southwest area, Apr., 12.
- » "State Population Reaches 1,293,953" Jan., pg. 1.

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- » "High-Tech Industry Update" Boise City MSA, Sept., pg. 12.
- » "Economic Outlook for South Central Idaho" Oct., pg. 15.
- » "Electronics Update" Boise City MSA, Nov., pg. 12.
- » "Employment Trends" Effects of the 9/11/01 terrorist attacks, Seaport area, Nov., pg. 7.
- » "High-Tech layoffs in the Boise City MSA" Apr., pg. 12.
- » "High-Tech Update" Boise City MSA, Oct., pg. 12.
- » "Impacts of a National Recession in Idaho" Feb., pg. 21.
- » "Labor Market Information Overview" Jan., pg. 21.

Unemployment Insurance Program

- » "Business Roundtables" Unemployment Insurance program, July, pg. 16.
- » "Idaho's Unemployment Insurance Program" July, pg. 21.
- » "Unemployment Insurance Benefit Increases" July, pg. 1.
- » "Unemployment Insurance & Wages" Seaport area, Oct., pg. 9.

Workforce Development and Training

- » "Idaho Employee Benefit Survey" Dec., pg. 21.
- » "A New 'Rural Component' for the Workforce Development Training Fund" Apr., pg. 1.
- » "Work Opportunity Tax Credits in Idaho" Mar., pg. 21.

Thanks to James Adams, Sr. Planner/Economist, for compiling this index.

Seaport—(Continued from page 10)

sity building projects placed on hold because of budget concerns. All state construction projects funded through Idaho's Permanent Building Fund were frozen after receiving a budget forecast \$20.3 million below previous projections. At the bottom of the list of possible cuts was university construction. Money slated for UI will be eliminated if Idaho's economy fails to pick up by spring. The announcement means at least a delay in the UI project. Renovation of the University Classroom Center was scheduled to begin June 24, but the university likely won't know for certain if money is available until July 1.

State Overview—(Continued from page 4)

accounted for most job losses in the *Goods-Producing Industries*. Cold, snowy winter weather was the primary reason for the decline. Within the *Services-Producing Industries*, job losses and gains were off-setting and followed normal seasonal patterns.

Construction is often used as a barometer of current economic conditions and of consumer expectations and confidence about the future. The number and value of residential and commercial building permits, as well as the number of jobs created by these projects, are the indicators most commonly cited. Although there was a seasonal decline in the number of *Construction* jobs in December month-over-month, the overall level of jobs in this industry remained relatively high over the year. The permit valuation for 2001 construction also remained strong. During the last two years, *Construction* jobs have numbered between 35,000 and 40,000 each month.

Mining continued its long-term job loss trend. Announced layoffs at Hecla's Lucky Friday Mine in Shoshone County in November was the latest blow to this industry and to Shoshone County's economy in particular. The *Mining* job count has dropped to the level that a job loss of 100 represents a 5.3 percent decline in employment.

The long-term trend of job losses also persisted within *Lumber & Wood Products*. The losses were concentrated in *Logging* and *Sawmills & Planing Mills*. Some of the loss is due to the normal winter slowdown in these industries. But the effects of layoffs, mill closures, timber harvest uncertainties, low prices, market competition, and slack demand for some manufactured wood products still exist and are not seasonal. The most telling number is the year-over-year change in which *Lumber & Wood Products* suffered a 9.6 percent decline in the number of jobs.

Many eyes have been focused on the economic picture of Idaho's electronics industries which is concentrated in two manufacturing segments: *Industrial & Commercial Machinery & Computer Equipment* ("computers and peripherals") and *Electronic & Other Electrical Equipment & Components, excluding Computers* ("chips"). The largest computer peripheral manufacturer in Idaho is Hewlett-

Nez Perce and Asotin Counties

The state's freeze on construction will delay Lewis-Clark State College's (LCSC) \$16.4 million activity center. Construction was scheduled to begin in March. The work already started on the parking lot will not be affected by the freeze. LCSC will evaluate bids and do all the work short of issuing a contract.

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Packard (Boise), best known for its laser jet printer operations. The largest chip manufacturer is Micron Technology (Boise), best known for its DRAM chip production. Both of these corporations have had to ride through the 2001 national recession that hit business investment expenditures particularly hard. These two industries reached their record-high job total in December 2000 when 25,600 jobs were on the payrolls. In December 2001, a slightly lower number of jobs—24,900—were on the payrolls. This equates to a 2.8 percent jobs loss. Although there have been significant layoffs, changes of ownership, or redirection in business objectives at some electronics firms, the job decline in these two industries ran counter to the meager, but positive growth rate of 0.2 percent for all industries. Even though negative, the job losses in electronics were less than that for all *Manufacturing*, which declined by 3.5 percent. Nationally, the year-over-year job losses in these two industries ranged from 11 to 19 percent. Idaho's job losses could have been much more severe if chip manufacturing had not maintained a fairly constant jobs count.

Retail Trade is a major source of jobs in Idaho. There was a slight increase in the number of jobs in December month-over-month. The 2001 holiday shopping season was not an engine for job growth. *General Merchandise Stores* actually lost 100 jobs. Anticipated lowered consumer confidence led many employers to refrain from hiring temporary, seasonal workers resulting in a year-over-year loss of 900 jobs. Several closures and downsizing in the *Food Store* sector during the year resulted in a job loss of 1,000 from December 2000.

Job gains in *Eating & Drinking Places, Hotels & Other Lodging Places*, and *Amusement & Recreation Services* signified some return of business and tourist travel as well as people taking advantage of the early snow to begin their winter recreation activities.

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Glossary of Labor Market Terms

Agriculture Employment: Persons on agriculture payrolls who work or receive pay for any period during the survey week. This includes owners, operators, unpaid family members who work at least 15 hours a week, and hired laborers.

Average Hourly Earnings/Average Weekly Hours: The average total money earnings earned by production or non-supervisory workers for selected industries. The average number of hours worked by production or non-supervisory workers including overtime, paid vacation, and sick leave. The data is collected for the week including the 12th of the month.

Average Weekly Earnings: Average Hourly Earnings multiplied by Average Weekly Hours.

Civilian Labor Force: A count of non-institutional persons 16 years of age and over residing within a specific geographic area, excluding members of armed forces, who are classified as employed, unemployed and seeking employment, or involved in a labor dispute.

Consumer Price Index (CPI): A national index measuring changes over time in the price of a fixed market basket of goods and services. There are two indexes—the All Urban Consumers (CPI-U) represents the buying habits of about 80 percent of the non-institutional population of the United States, and the Urban Wage & Clerical Workers (CPI-W) represents 40 percent of the population.

Covered Employers: Employers who are subject to state and federal Unemployment Insurance laws.

Durable Goods: Also known as “hard goods” because they include items manufactured or provided by wholesalers with a normal life expectancy of three years or more.

Employed: Individuals, 16 years of age or older, who worked at least 1 hour for pay or profit or worked at least 15 unpaid hours in a family business during the week including the 12th day of the month. Individuals are also counted as employed if they had a job but did not work because they were: ill, on vacation, in a labor dispute, prevented from working because of bad weather, or temporarily absent for similar reasons.

Initial Claim: Any notice of unemployment filed to request (1) a determination of entitlement to and eligibility for compensation or (2) a second or subsequent period of unemployment within a benefit year or period of eligibility.

Labor Market Area (LMA): An area that consists of a central city or cities and the surrounding territory within commuting distance. It is an economically integrated geographic area within which individuals can reside and find employment without changing place of residence. Idaho has nine LMAs.

Metropolitan Statistical Area (MSA): An area that has either a city with a population of at least 50,000 or a Bureau of Census urbanized area of at least 50,000 and a total metropolitan area of at least 100,000. The Office of Management and Budget designates the MSAs. There are two MSAs in Idaho—Boise City (including Ada and Canyon counties) and Pocatello City (including Bannock County).

Nonfarm Wage & Salary Employment: Persons on nonfarm establishment payrolls (including employees on paid sick leave, paid holiday, or paid vacation) who work or receive pay for any part of the week including the 12th of the month. It is a count of jobs by place of work. It does not include self-employed, unpaid volunteer or family workers, domestic workers in households, military personnel and persons who are laid off, on leave without pay, or on strike for the entire reference period.

Nondurable Goods: Also known as “soft goods” because they include items manufactured or provided by wholesalers that generally last for only a short period of time (three years or less).

Seasonally Adjusted: Data is seasonally adjusted to remove the impact of regular events that occur at the same time every year such as the effect of cold weather on outdoor activities, the Christmas holiday, or the summer influx of youth into the labor market.

Unemployed: Those individuals, 16 years of age or older, who do not have a job but are available for work and actively seeking work during the week including the 12th of the month. The only exceptions to these criteria are individuals who are waiting to be recalled from a layoff and individuals waiting to report to a new job within 30 days—these, too, are considered unemployed.

Unemployment Insurance: Unemployment Insurance is a program for the accumulation of funds paid by employers, to be used for the payment of Unemployment Insurance to workers during periods of unemployment which are beyond their control.

Unemployment Rate: The number of persons unemployed expressed as a percentage of the labor force.

Weekly Benefit Amount: The amount payable to a claimant for a compensable week of total unemployment.

Weeks Claimed: The number of weeks that unemployed workers claimed Unemployment Insurance benefits.

Weeks Compensated: The number of weeks for which compensation was actually paid.